

<b>Tab 1    SPB 7074 by RI; Gaming Compact Between the Seminole Tribe of Florida and the State of Florida</b>						
668752	A	S	RI, Negron	Delete L.32 - 36:	02/16 06:38 PM	
625860	AA	S	RI, Stargel	Delete L.13 - 16:	02/17 11:01 AM	
144750	A	S	RI, Negron	btw L.36 - 37:	02/09 10:53 AM	
209278	A	S	RI, Negron	Delete L.59:	02/09 10:53 AM	

<b>Tab 3    SPB 7072 by RI; Gaming</b>						
843294	D	S	RI, Sachs	Delete everything after	02/16 05:47 PM	
244100	A	S	RI, Negron	Before L.208:	02/09 10:51 AM	
354378	A	S	RI, Richter	Before L.208:	02/16 05:48 PM	
594538	A	S	RI, Negron	Delete L.473 - 520:	02/09 10:52 AM	
897172	A	S	RI, Negron	Delete L.1105 - 2309:	02/09 10:52 AM	
888770	AA	S	RI, Stargel	Delete L.501 - 726:	02/17 11:02 AM	
238012	AA	S	RI, Abruzzo	Delete L.568:	02/17 11:31 AM	
898094	AA	S	RI, Stargel	Delete L.899:	02/17 11:01 AM	
667902	A	S	RI, Margolis	Delete L.1934 - 1935:	02/12 12:43 PM	
283940	A	S	RI, Abruzzo	Delete L.2324 - 2333:	02/09 11:25 AM	

<b>Tab 4    SB 1558 by Evers; (Similar to H 1019) Exemption from the Cigarette Tax and Surcharge</b>						
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**The Florida Senate**  
**COMMITTEE MEETING EXPANDED AGENDA**

**REGULATED INDUSTRIES**  
**Senator Bradley, Chair**  
**Senator Margolis, Vice Chair**

**MEETING DATE:** Wednesday, February 17, 2016**TIME:** 1:30—3:30 p.m.**PLACE:** Toni Jennings Committee Room, 110 Senate Office Building**MEMBERS:** Senator Bradley, Chair; Senator Margolis, Vice Chair; Senators Abruzzo, Bean, Braynon, Diaz de la Portilla, Flores, Latvala, Negron, Richter, Sachs, and Stargel

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
	Consideration of proposed bill:		
1	<b>SPB 7074</b>	Gaming Compact Between the Seminole Tribe of Florida and the State of Florida; Superseding the Gaming Compact; ratifying and approving a specified compact executed by the Governor and the Tribe; directing the Governor to cooperate with the Tribe in seeking approval of the compact from the United States Secretary of the Interior; expanding the games authorized to be conducted and the counties in which such games may be offered, etc.	
2	Consideration of proposed bill:		
3	<b>SPB 7072</b>	Gaming; Revising provisions for applications for pari-mutuel operating licenses; authorizing a greyhound racing permitholder to receive an operating license to conduct pari-mutuel wagering activities at another permitholder's greyhound racing facility; authorizing the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation to approve changes in racing dates for greyhound racing permitholders under certain circumstances, etc.	
4	<b>SB 1558</b> Evers (Similar H 1019)	Exemption from the Cigarette Tax and Surcharge; Authorizing an Indian tribe to use certain excess Indian-tax-and-surcharge-exemption coupons for sales on the tribe's reservation to nontribal members under certain circumstances, etc.	
		RI      02/17/2016 FT AP	

Other Related Meeting Documents

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Regulated Industries

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BILL: SPB 7074

INTRODUCER: For consideration by the Regulated Industries Committee

SUBJECT: Gaming Compact Between the Seminole Tribe of Florida and the State of Florida

DATE: February 8, 2016

REVISED: \_\_\_\_\_

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Oxamendi/Kraemer	Caldwell		<b>Pre-meeting</b>

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**I. Summary:**

The bill ratifies and approves the gaming compact between the Seminole Tribe of Florida and the State of Florida executed by the Tribe and the Governor on December 7, 2015. The compact permits the Tribe to conduct banked or banking card games at all seven of its facilities. It also permits the Tribe to conduct, at all of its facilities, dice games, such as craps and sic-bo, and wheel games, such as roulette and big six.

The compact provides for revenue sharing payments from the Tribe to the state. For the first seven years, the compact provides a \$3 billion guarantee. The compact provides specific amounts for the payments during each month of the first seven years, and then the payments will be based on a varying percentage rate that depends on the amount of net win.

The compact provides that, if banked card games are authorized in Broward and Miami-Dade Counties the revenue share payments cease until gaming activities are no longer authorized. However, the Legislature can add blackjack at the pari-mutuel facilities in Miami-Dade and Broward, subject to some limitations without an impact on the compact. After the first seven years, if the Tribe's net win from all table games in Broward County is less than its net win from banked card games in Broward County during the current fiscal year, the Tribe may waive its exclusivity to allow up to 15 blackjack tables with \$15 bet limits for the existing permitholders in Broward and Miami-Dade Counties.

The compact also provides that, if Class III gaming is authorized at locations in Miami-Dade or Broward Counties at other than existing pari-mutuels, the payments will cease. However, there would be no effect on payments, if the Legislature permits one additional pari-mutuel location in Miami-Dade County and one additional pari-mutuel location in Palm Beach County with each additional facility permitted to phase in during a three year period 750 slot machines and 750 video racing terminals with a \$5 bet limit.

The compact provides that the Legislature may take the following additional actions without violating exclusivity and impacting exclusivity payments:

- Lowering the tax rate for pari-mutuels to 25 percent of slot machine revenue;
- Expanding the hours of operation for pari-mutuel facilities;
- Permitting automated teller machines (ATM's) to be placed on the slot machine gaming floor authorizing pari-mutuel slot machine licensees;
- Allowing permitholders to convert or modify the pari-mutuel permit to allow the operation of a different type of pari-mutuel activity;
- Decoupling pari-mutuels by removing the requirement that permitholders must conduct performances of live races or games in order to conduct other authorized gaming activities, such as cardrooms or slot machines;
- Using payments received under the compact to fund a purse pool to be allocated to pari-mutuel permitholders;
- Authoring one additional slot machine license in Miami-Dade County and one additional slot machine license in Palm Beach County;
- Authorizing the use of video racing terminals at the additional slot machine licensees facilities in Miami-Dade and Broward Counties;
- Authorizing blackjack for the existing pari-mutuels permitholders in Broward and Miami-Dade Counties with up to 15 blackjack tables per facility and \$15 bet limits per table; and
- Permitting pari-mutuel permitholders that are not licensed to operate slot machines to offer “designated player” games with some restrictions.

The bill provides that this act shall take effect upon becoming law. The effective date in the bill is for the Legislature’s approval and ratification of the proposed Compact. The 2015 Compact would become effective after it is approved by the United States Department of the Interior, as required under the Indian Gaming Regulatory Act of 1988, and notice of the approval is published in the Federal Register.

## **II. Present Situation:**

### **Gambling in Florida**

In general, gambling is illegal in Florida.<sup>1</sup> Chapter 849, F.S., prohibits keeping a gambling house,<sup>2</sup> running a lottery,<sup>3</sup> or the manufacture, sale, lease, play, or possession of slot machines.<sup>4</sup>

Section 7 of Article X of the 1968 State Constitution provides, “Lotteries, other than the types of pari-mutuel pools authorized by law as of the effective date of this constitution, are hereby prohibited in this state.”<sup>5</sup>

Section 15 of Article X of the State Constitution (adopted by the voters in 1986) provides for state operated lotteries:

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<sup>1</sup> Section 849.08, F.S.

<sup>2</sup> Section 849.01, F.S.

<sup>3</sup> Section 849.09, F.S.

<sup>4</sup> Section 849.16, F.S., defines slot machines for purposes of ch. 849, F.S. Section 849.15(2), F.S., provides an exemption to the transportation of slot machines for the facilities that are authorized to conduct slot machine gaming under ch. 551, F.S.

<sup>5</sup> The pari-mutuel pools that were authorized by law on the effective date of the Florida Constitution, as revised in 1968, include horseracing, greyhound racing, and jai alai games. The revision was ratified by the electorate on November 5, 1968.

Lotteries may be operated by the state.... On the effective date of this amendment, the lotteries shall be known as the Florida Education Lotteries. Net proceeds derived from the lotteries shall be deposited to a state trust fund, to be designated The State Education Lotteries Trust Fund, to be appropriated by the Legislature. The schedule may be amended by general law.

Section 24.102, F.S., creates the Department of the Lottery and states the Legislature's intent that it be self-supporting and revenue-producing and function as an entrepreneurial business enterprise.<sup>6</sup>

Chapter 550, F.S., authorizes pari-mutuel wagering at licensed tracks and frontons and provides for state regulation.<sup>7</sup> Chapter 551, F.S., authorizes slot machine gaming at the location of certain licensed pari-mutuel locations in Miami-Dade County or Broward County and provides for state regulation.<sup>8</sup> Chapter 849, F.S., authorizes cardrooms at certain pari-mutuel facilities.<sup>9</sup> A license to offer pari-mutuel wagering, slot machine gambling, or a cardroom at a pari-mutuel facility is a privilege granted by the state.<sup>10</sup>

Chapter 849, F.S., also authorizes, with conditions, penny-ante games,<sup>11</sup> bingo,<sup>12</sup> charitable drawings, game promotions (sweepstakes),<sup>13</sup> bowling tournaments, and amusement games and machines.<sup>14</sup>

Section 23 of Article X of the State Constitution (adopted by the voters electors in 2004) provides for slot machines in Miami-Dade and Broward Counties:

After voter approval of this constitutional amendment, the governing bodies of Miami-Dade and Broward Counties each may hold a county-wide referendum in their respective counties on whether to authorize slot machines within existing, licensed parimutuel facilities (thoroughbred and harness racing, greyhound racing, and jai-alai) that have conducted live racing or games in that county during each of the last two calendar years before the effective date of this amendment. If the voters of such county approve the referendum question by majority vote, slot machines shall be

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<sup>6</sup> Chapter 24, F.S., was enacted by ch. 87-65, L.O.F., to establish the state lottery. Section 24.102, F.S., provides the legislative purpose and intent in regard to the lottery.

<sup>7</sup> See ch. 550, F.S., relating to the regulation of pari-mutuel activities.

<sup>8</sup> See ch. 551, F.S., relating to the regulation of slot machine gaming at pari-mutuel locations.

<sup>9</sup> Section 849.086(2)(c), F.S., defines "cardroom" to mean a facility where authorized card games are played for money or anything of value and to which the public is invited to participate in such games and charges a fee for participation by the operator of such facility.

<sup>10</sup> See s. 550.1625(1), F.S., "...legalized pari-mutuel betting at dog tracks is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state." See also *Solimena v. State*, 402 So.2d 1240, 1247 (Fla. 3d DCA 1981), review denied, 412 So.2d 470, which states "Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right", citing *State ex rel. Mason v. Rose*, 122 Fla. 413, 165 So. 347 (1936).

<sup>11</sup> Section 849.085, F.S.

<sup>12</sup> Section 849.0931, F.S.

<sup>13</sup> Section 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.

<sup>14</sup> Section 849.161, F.S.

authorized in such parimutuel facilities. If the voters of such county by majority vote disapprove the referendum question, slot machines shall not be so authorized, and the question shall not be presented in another referendum in that county for at least two years.

Both Miami-Dade and Broward Counties held referenda elections on March 8, 2005. The electors approved slot machines at the pari-mutuel facilities in Broward County. Under the provisions of Article X, Section 23 of the State Constitution, four pari-mutuel facilities are eligible to conduct slot machine gaming in Broward County:

- Gulfstream Park Racing Association, a thoroughbred permitholder;
- The Isle Casino and Racing at Pompano Park, a harness racing permitholder;
- Dania Jai Alai, a jai alai permitholder; and
- Mardi Gras Race Track and Gaming Center, a greyhound permitholder.

On January 29, 2008, a referendum approving slot machines in Miami-Dade County was approved. Under the provisions of Article X, Section 23 of the State Constitution, three pari-mutuel facilities are eligible to conduct slot machine gaming in Miami-Dade County:

- Miami Jai-Alai, a jai-alai permitholder;
- Flagler Greyhound Track, a greyhound permitholder; and,
- Calder Race Course, a thoroughbred permitholder.

Chapter 551, F.S., implements Article X, Section 23 of the State Constitution. The division is charged with regulating the operation of slot machines in the affected counties.

Section 551.102(4), F.S., defines the term “eligible facility” to permit slot machine gaming at pari-mutuel facilities that are not included in the authorization in Article X, Section 23 of the State Constitution. The other eligible facilities include:

- Any licensed pari-mutuel facility located within a county as defined in s. 125.011, F.S.,<sup>15</sup> provided such facility:
  - has conducted live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license;
  - pays the required license fee; and
  - meets the other requirements of this chapter; or
- Any licensed pari-mutuel facility in any other county in which a majority of the voters have approved slot machines at such facilities in a countywide referendum held pursuant to a statutory or constitutional authorization after the effective date of this section provided the facility has conducted a full schedule of live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required licensed fee, and complies with the other specified statutory requirements.

Under the definition of “eligible facility” in s. 551.102(4), F.S., Hialeah Park Racing and Casino is also eligible to conduct slot machine gaming.

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<sup>15</sup> As defined in s. 125.011(1), F.S., “county” means any county operating under a home rule charter adopted pursuant to ss. 10, 11, and 24, Art. VIII of the Constitution of 1885, as preserved by Art. VIII, s. 6(e) of the Constitution of 1968, which means that Miami-Dade, Hillsborough and Monroe Counties could potentially meet this statutory definition but only Miami-Dade County has adopted a home-rule charter.

## **The Indian Gaming Regulatory Act (IGRA)**

In 1988, Congress enacted the Indian Gaming Regulatory Act or “IGRA.”<sup>16</sup> The Act divides gaming into three classes:

- “Class I gaming” means social games for minimal value or traditional forms of Indian gaming engaged in by individuals for tribal ceremonies or celebrations.<sup>17</sup>
- “Class II gaming” includes bingo and pull-tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo.<sup>18</sup> Class II gaming may also include certain non-banked card games if permitted by state law or not explicitly prohibited by the laws of the state but the card games must be played in conformity with the laws of the state.<sup>19</sup> A tribe may conduct Class II gaming if:
  - the state in which the tribe is located permits such gaming for any purpose by any person, organization, or entity; and
  - the governing body of the tribe adopts a gaming ordinance which is approved by the Chairman of the National Indian Gaming Commission.<sup>20</sup>
- “Class III gaming” includes all forms of gaming that are not Class I or Class II, such as house-banked card games, casino games such as craps and roulette, electronic or electromechanical facsimiles of games of chance, and pari-mutuel wagering.<sup>21</sup>

Regulation under IGRA is dependent upon the type of gaming involved. Class I gaming is left to the tribes.<sup>22</sup> Class II gaming is regulated by the tribe with oversight by the National Indian Gaming Commission.<sup>23</sup> Class III gaming permits a regulatory role for the state by providing for a tribal-state compact.<sup>24</sup>

IGRA provides that certain conditions must be met before an Indian tribe may lawfully conduct Class III gaming. First, the particular form of Class III gaming that the tribe wishes to conduct must be permitted in the state in which the tribe is located. Second, the tribe must have adopted a tribal gaming ordinance that has been approved by the Indian Gaming Commission or its chairman. Third, the tribe and the state must have negotiated a compact that has been approved by the Secretary of the United States Department of the Interior and is in effect.<sup>25</sup>

## **Compact Authorization**

Section 285.712, F.S., authorizes the Governor to enter into an Indian Gaming compact with the federally recognized Indian tribes within the State of Florida for the purpose of authorizing Class III gaming on the Indian lands.

<sup>16</sup> Indian Gaming Regulatory Act of 1988, Pub. L. 100-497, 102 Stat. 2467, codified at 18 U.S.C. ss. 1166-1168 and 25 U.S.C. s. 2701 *et seq.*

<sup>17</sup> 25 U.S.C. s. 2703(6).

<sup>18</sup> 25 U.S.C. s. 2703(7).

<sup>19</sup> 25 U.S.C. s. 2703(7)(A)(ii).

<sup>20</sup> 25 U.S.C. s. 2710(b)(1).

<sup>21</sup> 25 U.S.C. s. 2703(8).

<sup>22</sup> 25 U.S.C. s. 2710(a)(1).

<sup>23</sup> 25 U.S.C. s. 2710(a)(2).

<sup>24</sup> 25 U.S.C. s. 2710(d).

<sup>25</sup> 25 U.S.C. s. 2710(d).

Section 285.710(3), F.S., ratifies and approves the Gaming Compact between the Seminole Indian Tribe of Florida (Tribe) and the State of Florida that was executed by the Governor and the Tribe April 7, 2010.

Section 285.710(7), F.S., designates the Division of Pari-mutuel Wagering (division) within the Department of Business and Professional Regulation as the agency with the authority to monitor the Tribe's compliance with the compact.

Section 285.710(9), F.S., provides that money received by the state from the compact is to be deposited into the General Revenue Fund. It also provides for the distribution of 3 percent of the amount paid by the Tribe must be distributed to the specified local governments. The percentage of the local share distributed to the specified counties and municipalities is based on the net win per facility in each county and municipality.

### **Gaming Compact with the Seminole Tribe of Florida**

The current gaming compact with the Seminole Tribe of Florida (Tribe) dated April 7, 2010 (the 2010 gaming compact)<sup>26</sup> authorizes the Tribe to conduct slot machine gaming at seven facilities located in Broward, Collier, Glades, Hendry, and Hillsborough Counties. The compact authorizes banked card games, including blackjack, chemin de fer, and baccarat, but only at the five tribal casinos in Broward County, Collier County, and Hillsborough County.<sup>27</sup>

The 2010 gaming compact also provides for revenue sharing payments from the Seminole Tribe to the state. For its exclusive authority during a five-year period<sup>28</sup> to offer banked card games on tribal lands at five locations, and to offer slot machine gaming during the 20-year term of the

<sup>26</sup> The 2010 gaming compact was executed by the Governor and the Seminole Tribe on April 7, 2010, ratified by the Legislature, effective April 28, 2010, and approved by U.S. Secretary of the Interior, pursuant to the Indian Gaming Regulatory Act of 1988, on June 24, 2010. It took effect when published in the Federal Register on July 6, 2010. The 20-year term of the 2010 gaming compact expires July 31, 2030, unless renewed. Section 285.710(1)(f), F.S., designates the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation as the "state compliance agency" having authority to carry out the state's oversight responsibilities under the 2010 gaming compact *See*

[http://www.flsenate.gov/PublishedContent/Committees/2014-2016/RI/Links/Gaming\\_Compact\\_between\\_The\\_Seminole\\_Tribe\\_of\\_Florida\\_and\\_the\\_State\\_of\\_Florida.pdf](http://www.flsenate.gov/PublishedContent/Committees/2014-2016/RI/Links/Gaming_Compact_between_The_Seminole_Tribe_of_Florida_and_the_State_of_Florida.pdf) (last accessed February 8, 2016).

<sup>27</sup> *See* s. 285.710(10), F.S. The seven tribal locations where gaming is authorized by the 2010 gaming compact are: (1) Seminole Hard Rock Hotel & Casino—Hollywood (Broward); (2) Seminole Indian Casino—Coconut Creek (Broward); (3) Seminole Indian Casino—Hollywood (Broward); (4) Seminole Hard Rock Hotel & Casino—Tampa (Hillsborough); (5) Seminole Indian Casino—Immokalee (Collier); (6) Seminole Indian Casino—Brighton (Glades); and (7) Seminole Indian Casino—Big Cypress (Hendry). Banked card games are not authorized at the Brighton and Big Cypress casinos.

<sup>28</sup> While the exclusive authorization to conduct banked card games expired July 31, 2015, and has not been renewed, according to staff at the department and the Legislature's Office of Economic and Demographic Research, the Seminole Tribe has continued to transmit monthly payments to the state that include estimated table games revenue. The Seminole Tribe and the State of Florida are parties to litigation regarding the offering of table games by the Seminole Tribe after July 31, 2015. Those parties have negotiated a proposed gaming compact dated December 7, 2015 (the 2015 gaming compact), that the Governor, as the designated state officer responsible for negotiating and executing tribal-state gaming compacts with federally recognized Indian tribes, has transmitted to the President of the Senate and the Speaker of the House of Representatives for consideration, as required by s. 285.712, F.S. To be effective, the proposed 2015 gaming compact must be ratified by the Senate and by the House, by a majority vote of the members present. *See* s. 285.712(3), F.S.



2010 gaming compact, outside Miami-Dade and Broward Counties, the Seminole Tribe pays the State of Florida a share of “net win” (approximately \$240 million per year).<sup>29</sup>

On December 7, 2015, the Governor executed a gaming compact (proposed 2015 Compact or proposed Compact) with the Tribe with a new 20-year term. The proposed Compact authorizes the Tribe to conduct slot machine gaming at the same seven facilities. The proposed Compact permits the Tribe to offer live table games, such as craps and roulette, at all seven facilities. It also authorizes banked card games, including blackjack, chemin de fer, and baccarat, at all seven facilities.

The proposed Compact also provides for revenue sharing payments from the Tribe to the state. For the first seven-year period (Guarantee Period), the proposed Compact provides a \$3 billion guarantee. The compact provides specific amounts for the payments (Guaranteed Payments) during each year of the Guarantee Period. After the Guarantee Period, the Tribes payments will be based on a varying percentage rate that depends on the amount of net win (Revenue Share Payments).

The proposed Compact must be approved and ratified by the Legislature. The proposed Compact must then be approved by the United States Department of the Interior, as required under the Indian Gaming Regulatory Act of 1988, and notice of the approval published in the Federal Register.<sup>30</sup>

### **Compact Comparison**

The following table reflects the similarities and differences between the current 2010 Gaming Compact and the proposed 2015 Gaming Compact:

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<sup>29</sup> Subject to the outcome of the pending litigation between the state and the Seminole Tribe respecting continuation of the authorization to offer tables games, the 2010 gaming compact provides if (1) authorization for banked card games is not extended beyond July 31, 2015, or (2) the Legislature authorizes Class III (casino-style) games in Broward or Miami-Dade County other than at the eight existing state-licensed pari-mutuel locations, then the “net win” for revenue sharing will exclude amounts from the Seminole Tribe’s facilities in Broward County (i.e., payments will be reduced by approximately \$120 million per year). If the Legislature authorizes new Class III (casino-style) games outside Broward and Miami-Dade Counties, then all revenue sharing under the 2010 gaming compact is discontinued.

<sup>30</sup> 25 U.S.C. s. 2710(d)(8)

	<b>Proposed 2015 Compact</b>	<b>2010 Gaming Compact</b>
Guaranteed Payments	<p>Seven-year Guarantee Period of \$3 billion. (Starts 7/1/17)</p> <p>1- \$325 million 2- \$350 million 3- \$375 million 4- \$425 million 5- \$475 million 6- \$500 million 7- \$550 million</p> <p>The compact has a “true-up” at the end of the Guarantee Period in which the Tribe will pay more if the applicable revenue share percentages result in an amount greater than the guarantee.</p>	<p>Five-year guarantee of \$1 billion. 1- \$150 million 2- \$150 million 3- \$233 million 4- \$233 million 5- \$234 million</p> <p>\$1 billion guarantee.</p>
Revenue Share Percentages	<p>\$0-2B: 13 percent; \$2-3B: 17.5 percent; \$3.5-4B: 20 percent; \$4-4.5B: 22.5 percent; and \$4.5B+: 25 percent.</p>	<p>\$0-2B: 12 percent; \$2-3B: 15 percent; \$3-3.5B: 17.5 percent; \$3.5-4B: 20 percent; \$4-4.5B: 22.5 percent; and \$4.5B+: 25 percent.</p>
Economic Recession	<p>If there is an economic recession during the seven-year Guarantee Period, the Tribe may for only one revenue share cycle pay based on Revenue Share percentages instead of the guarantee amount. However, at the end of that year’s Revenue Share Cycle, the Tribe must remit 50 percent of the difference between the percentage payment and Guarantee and pay the remaining amount during the following Revenue Sharing Cycle.</p>	<p>Not applicable.</p>

	<b>Proposed 2015 Compact</b>	<b>2010 Gaming Compact</b>
Authorized Games (Covered Games)	At all seven facilities without exception: 1. Slot Machines; 2. Banked card games, including blackjack; 3. Raffles and drawings; 4. Any new game authorized for any person except banked card games authorized for another Indian Tribe; and 5. Live Table Games, including craps and roulette.	At all seven facilities with one exception: 1. Slot Machines; 2. Banked Card Games, including blackjack (at all facilities except Big Cypress & Brighton) for the first five years of the Compact 3. Raffles and Drawings; 4. Any new game authorized for any person except banked card games authorized for another Indian Tribe.
Caps on the Number of Authorized Games	The Tribe may average 3,500 slot machines for each of the seven facilities but may not have more than 6,000 slot machines in a facility.  The Tribe may average 150 banked or banking card games and live table games for each of the seven facilities but may not have more than 300 banked or banking card games and live table games at a facility.	Requires the conversion of all Class II bingo video terminals to Class III slot machines, but does not place limits on the number of slot machines or banked or banking card games.
Exclusivity Given to the Tribe in Exchange for Revenue Share Payments	<u>Statewide:</u> 1. Banked card games; and 2. Live Table Games.  <u>Outside Miami-Dade/Broward:</u> Slot Machines	<u>Statewide:</u> Banked Card Games.  <u>Outside Miami-Dade/Broward:</u> Slot Machines
Change in Facilities	The Tribe may expand or replace existing facilities and expressly places limits on additional gaming positions at the Tribe's facilities.	The Tribe may expand or replace existing facilities, and does not limit gaming positions at the Tribe's facilities.
State Oversight	State Compliance Agency is allowed 16 hours for inspections over the course of two days per facility, per month. Total inspection time is capped at 1,600 hours annually.  The Tribe is required to pay an annual oversight payment of \$400,000, which may be increased for inflation.	State Compliance Agency is allowed 10 hours for inspection over the course of two days per facility, per month. The total inspection time is capped at 1,200 hours annually.  The Tribe is required to pay and annual oversight payment of \$250,000, which may be increased for inflation.

	<b>Proposed 2015 Compact</b>	<b>2010 Gaming Compact</b>
<p>Exclusivity Violation:</p> <p>If Banked Games are Authorized in Broward and Miami-Dade Counties</p>	<p>Revenue Share Payments cease until gaming activities are no longer authorized.</p> <p>However, the Legislature can add blackjack at the Pari-mutuels in Miami-Dade and Broward, subject to some limitations, without an impact on the compact.</p> <p>After the Guarantee Period, if the Tribe's net win from all table games in Broward County is less than its net win from banked card games in Broward County during the current fiscal year, the Tribe may waive its exclusivity to allow up to 15 blackjack tables with \$15 bet limits for the existing permitholders in Broward and Miami-Dade Counties.</p>	<p>If the Tribe's annual net win from Broward facilities for the 12 months after the authorization is less than net win from preceding 12 months, the guaranteed minimum payments cease, and the revenue share payments are calculated by reducing net win from the Broward facilities by 50 percent.</p> <p>The Revenue Share Payments may resume without any reduction when the net win for the Broward facilities is greater than when the banked card games were offered.</p>
<p>Exclusivity Violation:</p> <p>If Class III Gaming is authorized at locations in Miami-Dade or Broward at other than existing pari-mutuels</p>	<p>The Guaranteed Minimum Payments will cease, and all Revenue Share Payments cease.</p> <p>However, there would be no effect on payments, if the Legislature permits one additional pari-mutuel location in Miami-Dade with 750 Slot machines and 750 Video Racing Terminals that have a \$5 bet limit phased in over a three year period with no effect on the 2015 Compact.</p>	<p>Guaranteed Minimum Payments cease, but the Revenue Share Payments are calculated by excluding the net win from the Broward facilities.</p>
<p>Exclusivity Violation:</p> <p>If Class III Gaming is authorized at locations outside of Miami-Dade or Broward</p>	<p>The Guaranteed Minimum Payments will cease, and all Revenue Share Payments cease.</p> <p>However, there would be no effect on payment if the Legislature permits one additional pari-mutuel location in Palm Beach County with 750 Slot machines and 750 Video Racing Terminals that have a \$5 bet limit phased in over three year period with no effect on the Compact.</p>	<p>All payments under the Compact cease.</p>

	<b>Proposed 2015 Compact</b>	<b>2010 Gaming Compact</b>
Exclusivity Violation: If Internet Gaming is Authorized	The Guaranteed Minimum Payments cease, but the Revenue Share Payments continue.  If the Tribe offers internet gaming to players in Florida, then the Guaranteed Payments will continue.	If the Tribe's net win from all its facilities drops by more than 5 percent below the net win from the previous year, the Guaranteed Payments cease, but the Revenue Share Payments continue  If Tribe offers internet gaming then Guaranteed Minimum Payments continue.
Compulsive Gambling	The Tribe must make an annual \$1,750,000 donation to the Florida Council on Compulsive Gambling and maintain a voluntary exclusion list.	The Tribe must will make an annual \$250,000 donation per facility (\$1,750,000 total) to the Florida Council on Compulsive Gambling and maintain a voluntary exclusion list.

The proposed compact provides that the Legislature may take the following additional actions without violating exclusivity and impacting exclusivity payments:

- Lowering the tax rate for pari-mutuels to 25 percent of slot machine revenue;
- Expanding the hours of operation for pari-mutuel facilities;<sup>31</sup>
- Permitting automated teller machines (ATM's) to be placed on the slot machine gaming floor of pari-mutuel slot machine licensees;<sup>32</sup>
- Permitting permitholders to convert or modify the pari-mutuel permit to allow the operation of a different type of pari-mutuel activity;
- Decoupling pari-mutuels by removing the requirement that permitholders must conduct performances of live races or games in order to conduct other authorized gaming activities, such as cardrooms or slot machines;
- Using payments received under the compact to fund a purse pool to be allocated to pari-mutuel permitholders;
- Authoring one additional slot machine license in Miami-Dade County and one additional slot machine license in Palm Beach County;
- Authorizing the use of video racing terminals<sup>33</sup> at the additional slot machine licensees in Miami-Dade and Broward Counties;

<sup>31</sup> Section 551.116, F.S., provides that the slot machine gaming areas may be open daily throughout the year, and may be open a cumulative amount of 18 hours per day on Monday through Friday and 24 hours per day on Saturday and Sunday and on holidays.

<sup>32</sup> Section 551.121(3), prohibits automated teller machines or similar devices that are designed to provide credit or dispense cash to be located within the designated slot machine gaming areas of a facility of a slot machine licensee.

<sup>33</sup> Part III, section KK. of the proposed 2015 Compact defines the term to mean "an individual race terminal linked to a central server as part of a network-based video game, where the terminals allow pari-mutuel wagering by players on the results of previously conducted horse races, but only if the game is certified in advance by an independent testing laboratory licensed or contracted by the Division of Pari-Mutuel Wagering as complying with all of the" requirement specified in the proposed Compact. The proposed Compact's requirements include that the race must have been recorded in the United States after January 1, 2005, the video must show at least the final eight seconds of the race, the terminal may contain no more than

- Authorizing blackjack for the existing pari-mutuels in Broward and Miami-Dade Counties with up to 15 blackjack tables per facility and \$15 bet limits per table; and
- Permitting pari-mutuels that are not licensed to operate slot machines to offer “designated player”<sup>34</sup> games with some restrictions.<sup>35</sup>

### III. Effect of Proposed Changes:

The bill creates s. 285.710(3)(b), F.S., to ratify and approve the gaming compact between the Tribe and the State of Florida executed by the Tribe and the Governor on December 7, 2015. The bill provides that the ratified and approved 2015 Gaming Compact supersedes the 2010 Gaming Compact.

The bill also amends s. 285.710(13), F.S., to remove the provision that limits the Tribe to conducting banked or banking card games at its Broward, Collier, and Hillsborough County facilities. It also provide that the Tribe may conduct the following games at all of its facilities:

- Dice games, such as craps and sic-bo; and
- Wheel games, such as roulette and big six.

The bill provides that this act shall take effect upon becoming law. The effective date in the bill is for the Legislature’s approval and ratification of the proposed Compact. The 2015 Compact would become effective after it is approved by the United States Department of the Interior and notice of the approval is published in the Federal Register.<sup>36</sup>

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

None.

#### B. Public Records/Open Meetings Issues:

None.

#### C. Trust Funds Restrictions:

None.

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one player position for placing wagers, the terminal may not dispense coins, currency, or tokens, and no additional element of chance may be present.

<sup>34</sup> Part III, section J. of the proposed 2015 Compact defines a “Designated Player Games” to mean “games consisting of at least three cards in which players compare their cards only to those cards of the player in the dealer position, who also pays winners and collects from losers.”

<sup>35</sup> The restrictions for designated player games include a \$25 limit on wagers, the designated player must occupy a playing position at the table, each player in the game must be offer a participation in a clockwise rotation to be the designated player, a player may not be the designated player for more than 30 consecutive hands and must play at least two hands as a non-designated player before resuming to play as the designated player. The designated player is not required to cover more than 10 times the minimum posted bet during any one game. Slot machine licensees and licensees who offer video racing terminals may not offer designated player games.

<sup>36</sup> 25 U.S.C. s. 2710(d)(8)

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

The Seminole Tribe of Florida will be required to make revenue sharing payments to the state. For the first seven years, the compact provides a \$3 billion guarantee with specific minimum payment amounts each year, and then the payments will be based on a varying percentage rate that depends on the amount of net win.

**C. Government Sector Impact:**

The compact requires the Seminole Tribe of Florida to make revenue sharing payments to the state. For the first seven years of the compact, it provides a \$3 billion guarantee with specific minimum payment amounts each year, and then the payments will be based on a varying percentage rate that depends on the amount of net win.

The annual minimum guaranteed payments during the first seven years (Guarantee Period) of the compact are:

- 1- \$325 million.
- 2- \$350 million.
- 3- \$375 million.
- 4- \$425 million.
- 5- \$475 million.
- 6- \$500 million.
- 7- \$550 million.

The compact has a “true-up” at the end of the Guarantee Period in which the Tribe will pay more if the applicable revenue share percentages result in an amount greater than the guarantee.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

SPB 7074 is linked to SPB 7072, which provides that SPB 7072 only becomes effective when it, or similar legislation ratifying the Gaming Compact between the Seminole Tribe of Florida and the State of Florida executed by the Governor and the Seminole Tribe of Florida on December 7, 2015 (the Compact), is enacted. In addition, SPB 7072 requires approval of the Gaming Compact by the United States Department of the Interior. SPB 7072 will be effective when notice of the approval by the Department of the Interior is published in the Federal Register.

**VIII. Statutes Affected:**

This bill substantially amends sections 285.710 and 285.712 of the Florida Statutes.

**IX. Additional Information:****A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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668752

LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Negron) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 32 - 36

and insert:

Governor and the Tribe on December 7, 2015, shall be deemed  
ratified and approved if it is amended by an agreement between  
the Governor and the Tribe to incorporate the terms specified in  
paragraph (c). The amended Gaming Compact supersedes the Gaming  
Compact ratified and approved by chapter 2010-29, Laws of  
Florida. The Governor shall cooperate with the Tribe in seeking



668752

approval of the amended Gaming Compact from the United States  
Secretary of the Interior.

(c) The December 7, 2015, Gaming Compact must include a  
provision that fantasy contests conducted in accordance with ss.  
546.11-546.20 are an authorized activity by the compact and do  
not impact the agreement's revenue-sharing payments.

Delete line 59  
and insert:

Section 3. This act shall take effect upon becoming a law,  
if SB 7072 or similar legislation is adopted in the same  
legislative session or an extension thereof and becomes a law.

===== T I T L E A M E N D M E N T =====

And the title is amended as follows:

Delete lines 6 - 12  
and insert:

executed by the Governor and the Tribe contingent upon  
the adoption of a specified amendment to the compact;  
directing the Governor to cooperate with the Tribe in  
seeking approval of the amended compact from the  
United States Secretary of the Interior; specifying  
the provision that must be adopted by amendment to the  
compact before it may be deemed ratified and approved;  
expanding the games authorized to be conducted and the  
counties in which such games may be offered; amending  
s. 285.712, F.S.; correcting a citation; providing a  
contingent effective date.



625860

LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Stargel) recommended the following:

**Senate Amendment to Amendment (668752) (with title amendment)**

Delete lines 13 - 16  
and insert:

(c) The December 7, 2015, Gaming Compact:  
1. Must provide that there will not be any cessation or  
reduction in the revenue share payments due to the state from  
the Tribe due to an act by the Legislature with an effective  
date after July 1, 2016, which authorizes the issuance of slot



625860

machine gaming licenses to pari-mutuel facilities that hold  
operating licenses issued by the Division of Pari-mutuel  
Wagering for the 2015-2016 state fiscal year and that are  
located in a county in which the majority of voters approved  
slot machine gaming in a countywide referendum held after  
January 1, 2012, and before January 1, 2016; and

2. May not provide for the operation of video race  
terminals or slot machines at any additional pari-mutuel  
facilities in Miami-Dade County or Palm Beach County, regardless  
of whether the operation of such video race terminals and slot  
machines is approved by a countywide referendum held after the  
effective date of the compact.

===== T I T L E   A M E N D M E N T =====

And the title is amended as follows:

Delete line 33

and insert:

the provisions that must be adopted by amendment to  
the



144750

LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Negron) recommended the following:

**Senate Amendment (with directory and title amendments)**

Between lines 36 and 37

insert:

(8)

(g) The agreement must be modified to include a provision that fantasy contests conducted in accordance with ss. 546.11-546.20 are an authorized activity by the compact and do not impact the agreement's revenue-sharing payments.



144750

11 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

12 And the directory clause is amended as follows:

13 Delete line 17

14 and insert:

15 (3) of section 285.710, Florida Statutes, are amended, paragraph

16 (g) is added to subsection (8) of that section, and subsection

17 (13) of that section is amended,

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19 ===== T I T L E A M E N D M E N T =====

20 And the title is amended as follows:

21 Delete line 9

22 and insert:

23 Secretary of the Interior; requiring the agreement to

24 include a provision that fantasy contests are

25 authorized and do not impact revenue-sharing payments;

26 expanding the games



209278

LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Negron) recommended the following:

**Senate Amendment**

Delete line 59

and insert:

Section 3. This act shall take effect upon becoming a law,  
if SB 7072 or similar legislation is adopted in the same  
legislative session or an extension thereof and becomes a law.

FOR CONSIDERATION By the Committee on Regulated Industries

580-01885A-16

20167074pb

A bill to be entitled  
An act relating to the Gaming Compact between the  
Seminole Tribe of Florida and the State of Florida;  
amending s. 285.710, F.S.; superseding the Gaming  
Compact; ratifying and approving a specified compact  
executed by the Governor and the Tribe; directing the  
Governor to cooperate with the Tribe in seeking  
approval of the compact from the United States  
Secretary of the Interior; expanding the games  
authorized to be conducted and the counties in which  
such games may be offered; amending s. 285.712, F.S.;  
correcting a citation; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (a) of subsection (1) and subsections  
(3) and (13) of section 285.710, Florida Statutes, are amended  
to read:

285.710 Compact authorization.—

(1) As used in this section, the term:

(a) "Compact" means the Gaming Compact between the Seminole  
Tribe of Florida and the State of Florida, ~~executed on April 7,~~  
~~2010.~~

(3) (a) A The Gaming Compact between the Seminole Tribe of  
Florida and the State of Florida, executed by the Governor and  
the Tribe on April 7, 2010, was is ratified and approved by  
chapter 2010-29, Laws of Florida. ~~The Governor shall cooperate~~  
~~with the Tribe in seeking approval of the compact from the~~  
~~United States Secretary of the Interior.~~

(b) The Gaming Compact between the Seminole Tribe of  
Florida and the State of Florida, which was executed by the  
Governor and the Tribe on December 7, 2015, is ratified and



580-01885A-16

20167074pb

33 approved and supersedes the Gaming Compact ratified and approved  
34 under paragraph (a). The Governor shall cooperate with the Tribe  
35 in seeking approval of the compact ratified and approved by this  
36 paragraph from the United States Secretary of the Interior.

37 (13) For the purpose of satisfying the requirement in 25  
38 U.S.C. s. 2710(d)(1)(B) that the gaming activities authorized  
39 under an Indian gaming compact must be permitted in the state  
40 for any purpose by any person, organization, or entity, the  
41 following class III games or other games specified in this  
42 section are hereby authorized to be conducted by the Tribe  
43 pursuant to the compact:

44 (a) Slot machines, as defined in s. 551.102(8).

45 (b) Banking or banked card games, including baccarat,  
46 chemin de fer, and blackjack or 21 ~~at the tribal facilities in~~  
47 ~~Broward County, Collier County, and Hillsborough County.~~

48 (c) Dice games, such as craps and sic-bo.

49 (d) Wheel games, such as roulette and big six.

50 (e) ~~(e)~~ Raffles and drawings.

51 Section 2. Subsection (4) of section 285.712, Florida  
52 Statutes, is amended to read:

53 285.712 Tribal-state gaming compacts.—

54 (4) Upon receipt of an act ratifying a tribal-state  
55 compact, the Secretary of State shall forward a copy of the  
56 executed compact and the ratifying act to the United States  
57 Secretary of the Interior for his or her review and approval, in  
58 accordance with 25 U.S.C. s. 2710(d)(8) ~~s. 2710(8)(d)~~.

59 Section 3. This act shall take effect upon becoming a law.

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Regulated Industries

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BILL: SPB 7072

INTRODUCER: For consideration by the Regulated Industries Committee

SUBJECT: Gaming

DATE: February 8, 2016

REVISED: \_\_\_\_\_

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Kraemer	Caldwell		<b>Pre-meeting</b>

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**I. Summary:**

SPB 7072 revises ch. 550 regarding Pari-mutuel Wagering to allow a greyhound racing permitholder, jai alai permitholder, harness racing permitholder, and quarter horse permitholder to determine, on an annual basis, whether it will offer live racing or games at its pari-mutuel facility. Ending the requirement for the offering of live racing or games by these types of permitholders is known as “decoupling.”

The bill prohibits the issuance of new pari-mutuel permits after July 1, 2016, and relocation of permits is no longer allowed. All inactive (dormant) pari-mutuel permits are revoked. The division must also revoke any permit to conduct pari-mutuel wagering if a permitholder has not conducted live events within the 24 months preceding the effective date of the bill, excluding certain limited thoroughbred racing permits. A permit revoked for failure to conduct live events within the 24 months preceding the effective date of the bill may not be reissued.

The bill authorizes additional slot machine licenses at one location in Miami-Dade County and one location in Palm Beach County. Those licensees may make available for play a maximum of 500 slot machines and 250 video race terminals before October 1, 2018, and a maximum of 750 slot machines and 750 video racing terminals thereafter. Each new slot machine licensee must transfer an active existing pari-mutuel permit for surrender to the Division of Pari-mutuel Wagering (division) in the Department of Business and Professional Regulation (department), which must void the permit.

The bill reduces the tax rate on slot machine revenue to 30 percent from 35 percent. The maximum number of slot machines that may be made available for play by each licensee is reduced to 1,700 from 2,000. The number of hours that a slot machine gaming area may be open on weekdays is extended, from 18 hours, to 24 hours, which matches the operating hours on weekends. Complimentary alcoholic beverages may be served to slot machine players. The bill provides that a slot machine licensee may allow automatic teller machines (ATMs) or similar devices designed to provide credit or dispense cash, to be located in the gaming area of a slot machine facility.

Licensed pari-mutuel permitholders that operate cardrooms are authorized to offer designated player card games. A designated player game is a game consisting of at least three cards in which the players compare their cards only to the cards of the designated player; the designated player is the player in a designated player game who is identified as the player in the dealer position, is seated in a traditional player position, and who pays winning players and collects from losing players.

Designated card games must be played under the following conditions:

- Cardroom operators that do not possess a slot machine license may offer the games;
- Licensed pari-mutuel facilities that offer slot machine gaming or video race terminals may not offer the games;
- The maximum wager in such games may not exceed \$25;
- The games must meet certain requirements, including who may be a designated player, how often, how the position of designated player moves among players, and how bets may be covered;
- Provides criteria which the cardroom must meet including a ceiling for the number of designated player games of the total authorized game tables at the cardroom;
- The cardroom operator may not serve as a designated player in any game, and may not have any direct or indirect financial or pecuniary interest in a designated player in any game;
- A designated player may only wager personal funds or funds from a sole proprietorship, must operate independently, and may not be directly or indirectly financed or controlled by another party;
- Designated player games offered by a cardroom operator may not make up more than 25 percent of the total authorized game tables at the cardroom; and
- Designated player games may only be approved by the division if such games would not trigger a reduction in revenue-sharing payments under a Gaming Compact between the Seminole Tribe of Florida and the State of Florida.

The bill provides for the establishment of a pari-mutuel permit reduction program, in which the division is authorized to purchase and cancel active pari-mutuel permits. Funding for the program is generated by the revenue share payments made by the Seminole Tribe of Florida associated with the playing of banked card games on tribal lands after November 1, 2015. Payments funding the program are calculated on a monthly basis until the division determines sufficient funds are available, but the funding limit for the program is \$20 million.

A pari-mutuel permitholder may not submit an offer to sell its permit unless it is actively conducting racing or jai-alai as required and satisfies all applicable requirements for the permit. Sufficient moneys must be available before the purchase may be made. The value of the permit must be based upon the valuation of fair market value by one or more independent appraisers selected by the division. The value may not include the value of real estate or personal property. The division may establish a value for the permit that is lower than the amount determined by the independent appraiser, but may not establish a higher value.

The division must accept the offer or offers that best use the available funding, however, the division may also accept offers that it determines are the most likely to reduce the incidence of

gaming in Florida. The division must cancel a permit purchased through the program. This provision expires July 1, 2018, unless reenacted.

The bill requires greyhound track veterinarians to prepare and sign detailed reports under oath, on a form adopted by the division of all injuries to racing greyhounds that occur while the greyhounds are on a racetrack. If an injury occurs at a location other than a racetrack, or during transport, then the injury report must be prepared and signed under oath by a greyhound owner, trainer, or kennel operator who has knowledge of the injury.

Reporting is required within 7 days after the date the injury occurred or is believed to have occurred. The reports are public records that must be maintained for 7 years by the division. False statements in an injury report or the failure to report an injury subjects licensees of the department to disciplinary action under pari-mutuel, regulatory, and professional practice laws.

The requirement to report injuries to racing greyhounds does not apply to injuries to a service animal, personal pet, or greyhound that has been adopted as a pet.

The bill provides that the provisions of the bill are not severable; if the bill or any of its provisions are determined to be unconstitutional, or the applicability thereof to any person or circumstance is held invalid, all provisions or applications of the bill are invalid, and the bill is considered never to have become law.

The bill states the requirements for SPB 7072 to become effective. The bill requires the enactment of SB 7074, respecting the Gaming Compact between the Seminole Tribe of Florida and the State of Florida, or similar legislation ratifying the Gaming Compact between the Seminole Tribe of Florida and the State of Florida executed by the Governor and the Seminole Tribe of Florida on December 7, 2015 (the Gaming Compact).

In addition, the bill requires approval of the Gaming Compact by the United States Department of the Interior (Department of the Interior) as required under the Indian Gaming Regulatory Act of 1988. SPB 7072 will be effective upon the date of publication of such approval by the Department of the Interior in the Federal Register.

## **II. Present Situation:**

Generally, in 2014<sup>1</sup> there were 39 pari-mutuel permitholders with operating licenses in Florida, operating at 12 greyhound tracks, 6 jai alai frontons, 5 quarter horse tracks, 3 thoroughbred tracks, and 1 harness track.<sup>2</sup> One jai alai permitholder voluntarily relinquished its permit in October 2015.<sup>3</sup> Of the 20 greyhound racing permitholders with operating licenses during 2014-

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<sup>1</sup> The Division of Pari-Mutuel Wagering in the Department of Business & Professional Regulation has not yet issued its 84th Annual Report for Fiscal Year 2014-2015. See <http://www.myfloridalicense.com/dbpr/pmw/PMW-Publications.html> (last visited Feb. 8, 2016).

<sup>2</sup> See Pari-Mutuel Wagering Permitholders With 2014-2015 Operating Licenses map at <http://www.myfloridalicense.com/dbpr/pmw/documents/MAP-Permitholders--WITH--2015-2016-OperatingLicenses.pdf> (last visited Feb. 8, 2016).

<sup>3</sup> See the Stipulation and Consent Order at <http://www.floridagamingwatch.com/wp-content/uploads/Hamilton-Jai-Alai-Consent-Order.pdf> (last accessed Feb. 8, 2016).

2015, three permitholders conducted races at leased facilities.<sup>4</sup> Five pari-mutuel facilities have two permits operating at those locations.<sup>5</sup> One greyhound racing permitholder's operating license was suspended late in 2014,<sup>6</sup> so there are now 19 greyhound racing permitholders with operating licenses.<sup>7</sup> There are 12 permitholders that do not have operating licenses for FY 2014-2015: two greyhound,<sup>8</sup> three jai alai,<sup>9</sup> one limited thoroughbred,<sup>10</sup> and six quarter horse.<sup>11</sup>

### **Regulation by Division of Pari-Mutuel Wagering**

Pari-mutuel wagering is regulated by the Division of Pari-Mutuel Wagering (division) in the Department of Business and Professional Regulation. The division has regulatory oversight of permitted and licensed pari-mutuel wagering facilities, cardrooms located at pari-mutuel facilities, and slot machines at pari-mutuel facilities located in Miami-Dade and Broward counties. According to the division, there were 19 license suspensions, and \$80,950 in fines assessed for violations of all pari-mutuel statutes and rules in Fiscal Year 2013-2014.<sup>12</sup>

A "performance" is a minimum of 8 consecutive live races.<sup>13</sup> At least three live performances must be held at a track each week.<sup>14</sup> When a permitholder conducts at least three live performances in a week,<sup>15</sup> it must pay purses (cash prizes to participants) on wagers accepted at the track on certain greyhound races run at other tracks (in Florida or elsewhere).<sup>16</sup> In order to receive an operating license, permitholders must have conducted a full schedule of live racing during the preceding year.<sup>17</sup>

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<sup>4</sup> According to the Division of Pari-Mutuel Wagering (division), Tampa Greyhound conducts races at St. Petersburg Kennel Club (a.k.a. Derby Lane), and both Jacksonville Kennel Club and Bayard Raceways (St. Johns) conduct races at Orange Park Kennel Club.

<sup>5</sup> The division indicated that H & T Gaming @ Mardi Gras and Mardi Gras operate at a facility in Hallandale Beach, Daytona Beach Kennel Club and West Volusia Racing-Daytona operate at a facility in Daytona Beach, Palm Beach Kennel Club and License Acquisitions-Palm Beach operate at a facility in West Palm Beach, Miami Jai Alai and Summer Jai Alai operate at a facility in Miami, and Sanford-Orlando Kennel Club and Penn Sanford @SOKC operate at a facility in Longwood.

<sup>6</sup> See <http://www.myfloridalicense.com/dbpr/pmw/documents/CurrentPermitholdersList.pdf> (last visited Feb. 8, 2016) for a list of current permitholders and their licensing status.

<sup>7</sup> Information about permitholders for Fiscal Years 2013-2014, 2014-2015, and 2015-2016 is available at <http://www.myfloridalicense.com/dbpr/pmw/track.html> (last visited Feb. 8, 2016).

<sup>8</sup> North American Racing Association (Key West) and Jefferson County Kennel Club (Monticello).

<sup>9</sup> Tampa Jai-Alai, Gadsden Jai-alai (Chattahoochee), and Kings Court Key (Florida City).

<sup>10</sup> Under s. 550.3345, F.S., during Fiscal Year 2010-2011 only, holders of quarter horse permits were allowed to convert their permits to a thoroughbred racing permit, conditioned upon specific use of racing revenues for enhancement of thoroughbred purses and awards, promotion of the thoroughbred horse industry, and the care of retired thoroughbred horses. Two conversions occurred, Gulfstream Park Thoroughbred After Racing Program (GPTARP) (Hallandale, Broward County), and Ocala Thoroughbred Racing (Marion County).

<sup>11</sup> Pompano Park Racing (Pompano Beach), Tampa Bay Downs (Oldsmar), ELH Jefferson (Jefferson County), DeBary Real Estate Holdings (Volusia County), St. Johns Racing (St. Johns County), and North Florida Racing (Jacksonville).

<sup>12</sup> See *supra* note 7, at page 3.

<sup>13</sup> Section 550.002(25), F.S.

<sup>14</sup> Section 550.002(11), F.S.

<sup>15</sup> The performances may be during the day or in the evenings, as set forth in the schedule that is part of the operating license issued by the division.

<sup>16</sup> Section 550.09514(2)(c), F.S.

<sup>17</sup> Section 550.002(11), F.S. In accordance with s. 550.002(38), F.S., a full schedule of live racing is calculated from July 1 to June 30, which is the state fiscal year.

Current law provides complex requirements for the calculation of a “full schedule of live racing or games:”

- For a greyhound or jai alai permitholder, . . .at least 100 live evening or matinee performances during the preceding year;
- For a permitholder who has a converted permit . . . at least 100 live evening and matinee wagering performances during either of the 2 preceding years;
- For a jai alai permitholder who does not operate slot machines . . ., who has conducted at least 100 live performances per year for at least 10 years after December 31, 1992, and whose handle on live jai alai games . . . has been less than \$4 million per state fiscal year for at least 2 consecutive years after June 30, 1992, . . . at least 40 live evening or matinee performances during the preceding year;
- For a jai alai permitholder who operates slot machines . . ., at least 150 performances during the preceding year;
- For a harness permitholder, the conduct of at least 100 live regular wagering performances during the preceding year;
- For a quarter horse permitholder at its facility unless an alternative schedule of at least 20 live regular wagering performances is agreed upon by the permitholder and either the Florida Quarter Horse Racing Association or the horsemen’s association representing the majority of the quarter horse owners and trainers at the facility and filed with the division along with its annual date application, in the Fiscal Year 2010-2011, . . . at least 20 regular wagering performances, in Fiscal Year 2011-2012 and Fiscal Year 2012-2013, . . . at least 30 live regular wagering performances, and for every fiscal year after Fiscal Year 2012-2013, . . . at least 40 live regular wagering performances;
- For a quarter horse permitholder leasing another licensed racetrack, the conduct of 160 events at the leased facility; and
- For a thoroughbred permitholder, the conduct of at least 40 live regular wagering performances during the preceding year.

For a permitholder restricted by statute to certain operating periods within the year when other similar permitholders are authorized to operate throughout the year, the specified number of live performances which constitute a full schedule of live racing or games are calculated pro rata based on the authorized operating period and the full calendar year, and the resulting number of live performances is the full schedule of live games for such permitholder and all other permitholders of the same class within 100 air miles of such permitholder. A live performance must consist of no fewer than eight races or games conducted live for each of a minimum of three performances each week at the permitholder’s licensed facility under a single admission charge.

If a permitholder does not conduct all of the performances specified in its operating license, the division may determine whether to fine the permitholder or suspend<sup>18</sup> the license,<sup>19</sup> unless the

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<sup>18</sup> After Jefferson County Kennel Club failed to conduct scheduled performances, its operating license was suspended September 22, 2014 under a consent order. See the order at <http://www.myfloridalicense.com/dbpr/pmw/PMW-PermitholderOperatingLicenses--2014-2015.html> (last visited Feb. 8, 2016).

<sup>19</sup> Section 550.01215(4), F.S.

failure is due to certain events beyond the permitholder's control.<sup>20</sup> Financial hardship itself is not an acceptable basis to avoid a fine or suspension.<sup>21</sup>

### **Tax Exemptions**

- As provided in s. 550.09514(1), F.S., all greyhound racing permitholders that conduct a full schedule of live racing in a year are eligible for tax exemptions in the form of a credit that directly reduces their state taxes, in the following amounts:
- \$500,000 annually to each permitholder that conducted a full schedule of live racing in 1995, and "are closest to another state that authorizes greyhound pari-mutuel wagering." These requirements qualify three greyhound racing permitholders (Washington County Kennel Club (Ebro), Pensacola Greyhound, and Jefferson County Kennel Club (Monticello);
- \$360,000 annually to each of the other greyhound racing permitholders.

If a permitholder cannot use its full tax exemption amount, then it may transfer of the unused portion of the exemption to another permitholder that has acted as a host track by accepting intertrack wagering.<sup>22</sup> The transfer may occur only once per state fiscal year, and there must be a dollar-for-dollar payment (no discount) by the host track.

### **Tax Exemption Credit for Daily License Fees**

Each permitholder receives a tax credit based on the number of live races conducted in the previous year, multiplied by the daily license fee.<sup>23</sup> This works out to a 100 percent refund of daily license fees for every live race conducted. The daily license credit also may be transferred for payment in full by a host track to a transferring permitholder.

### **Tax Exemption Credit for Escheated Winnings**

Section 550.1645, F.S., provides that after one year, the winnings from all unclaimed pari-mutuel tickets become property of the state. Permitholders must pay the unclaimed (escheated) winnings to the state. The funds are deposited into the State School Fund and are used for the maintenance of public free schools. Section 550.1647, F.S., provides that permitholders who pay escheated winnings to the state are entitled to a 100 percent credit equal to the escheated winnings payment, to be credited in the next fiscal year against greyhound racing taxes; however, the permitholder must pay an amount equal to 10 percent of the escheat credit to qualified greyhound adoption programs.

### **Types of Handle (Funds Bet by Players)**

Section 550.002(13), F.S., defines handle as the aggregate contributions to pari-mutuel pools. There are four types of handle detailed in annual reports<sup>24</sup> of the division:

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<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> Section 550.0951(1)(b), F.S.

<sup>23</sup> Section 550.0951(1)(a), F.S.

<sup>24</sup> See <http://www.myfloridalicense.com/dbpr/pmw/documents/AnnualReports/AnnualReport-2013-2014--83rd--20150114.pdf>, at 2 (last accessed Feb. 8, 2016).

- Live ontrack, from live races or games at the track/fronton;
- Simulcast, from live races or games originating out-of-state and broadcast to a Florida track or fronton;
- Intertrack, from a Florida track or fronton (acting as host) broadcasting live races or games to other Florida tracks or frontons; and
- Intertrack simulcast, from rebroadcasting of simulcast signals received by a Florida track or fronton to other Florida tracks or frontons.

### Tax Rates

The stated tax rates on greyhound racing vary considerably. Section 550.0951(3), F.S., specifies rates of 5.5 percent, 7.6 percent, 3.9 percent, and 0.5 percent of handle that depend on the type of wager (and the location of the tracks involved in any intertrack wagering).

Current law provides that intertrack wagering is taxed at the rate of 7.1 percent if the host track is a jai alai fronton. The rate drops significantly to a rate of .5 percent (one-half of a percent) if (1) both the host and guest tracks are thoroughbred permitholders, or (2) a guest track is located more than 25 miles away from the host track and within 25 miles of a thoroughbred permitholder currently conducting live racing.

### Greyhound Permitholders and Cardroom Licenses

Section 849.086, F.S., provides that a licensed pari-mutuel permitholder that holds a valid pari-mutuel permit and license to conduct a full schedule of greyhound performances may obtain a cardroom license. Eleven (11) of the 12 currently operating greyhound racing locations have cardrooms.<sup>25</sup> As a result of the so-called “90 percent rule,” the required minimum of live performances varies among greyhound permitholders (e.g., in Fiscal Year 2012-2013, the number of performances ranged from 104 to 395), as shown below.

Greyhound Racing Permitholder	Location (City and County)	Performances FY 2012-13	90 Percent Rule*	Full Schedule
H & T Gaming @ Mardi Gras	Hallandale Beach (Broward)	104	100	100
Mardi Gras	Hallandale Beach (Broward)	110	100	100
Flagler Greyhound (Magic City)	Miami (Miami-Dade)	166	163	100
Naples-Ft. Myers	Bonita Springs (Lee)	395	394	100
Jacksonville Kennel Club (bestbet)	Jacksonville (Duval)	112	100	100
Orange Park Kennel Club	Orange Park (Clay)	112	100	100
Bayard Raceways (St. Johns)	Orange Park (Clay)	191	100	100
Daytona Bch Kennel Club	Daytona Beach (Volusia)	224	100	100
West Volusia Racing-Daytona	Daytona Beach (Volusia)	189	100	100

<sup>25</sup> Section 849.086(5)(a), F.S., provides that an initial cardroom license may be issued to a permitholder only after its facilities are in place and it has conducted its first day of live racing or games. If more than one permitholder is operating at a facility, each permitholder must have applied for a license to conduct a full schedule of live racing. See s. 849.086(5)(b), F.S. Renewal of a cardroom license requires that in its annual pari-mutuel license application, the permitholder must request to conduct at least 90 percent of the performances conducted either (1) in the year in which its first cardroom license was issued, or (2) in the state fiscal year immediately prior to the application if a full schedule of live racing was conducted.



Greyhound Racing Permitholder	Location (City and County)	Performances FY 2012-13	90 Percent Rule*	Full Schedule
Palm Beach Kennel Club	West Palm Beach (Palm Beach)	349	100	100
License Acquisitions-Palm Beach	West Palm Beach (Palm Beach)	116	100	100
Sanford-Orlando Kennel Club	Longwood (Seminole)	178	N/A	N/A
Penn Sanford @SOKC	Longwood (Seminole)	156	N/A	N/A
Tampa Greyhound	Tampa (Hillsborough)	207	100	100
Jefferson County Kennel Club	Monticello (Jefferson)	104	217	100
Pensacola Kennel Club	Pensacola (Escambia)	159	160	100
St. Petersburg Kennel Club	St. Petersburg (Pinellas)	207	100	100
Sarasota Kennel Club	Sarasota (Sarasota)	190	188	100
Washington County Kennel Club	Ebro (Washington)	173	167	100
Melbourne Greyhound Park	Melbourne (Brevard)	104	93	93

Section 849.086(13), F.S., provides that at least 4 percent of a greyhound permitholder's gross cardroom receipts be used to supplement greyhound purses.

### **Intertrack Wagering & Simulcast Wagering**

Section 550.615(2), F.S., allows any permitholder that has conducted a full schedule of live racing in the preceding year to receive broadcasts and accept wagers on any type of pari-mutuel race or game conducted by other licensed pari-mutuel permitholders in the state. This type of wagering is defined as "intertrack wagering."<sup>26</sup>

Wagering on a simulcast event occurs when a wager is placed on (1) a live race or game that is broadcast outside the state from an in-state location, or (2) a live race or game that occurs outside the state but is broadcast to a permitholder in the state.<sup>27</sup>

### **Slot Machine Gaming and Cardrooms**

Chapter 551, F.S., authorizes slot machine gaming at the location of certain licensed pari-mutuel locations in Miami-Dade County or Broward County and provides for state regulation.<sup>28</sup> Chapter 849, F.S., authorizes cardrooms at certain pari-mutuel facilities.<sup>29</sup> A license to offer pari-mutuel wagering, slot machine gaming, or a cardroom at a pari-mutuel facility is a privilege granted by the state.<sup>30</sup>

<sup>26</sup> Section 550.002(17), F.S.

<sup>27</sup> Section 550.002(32), F.S.

<sup>28</sup> See ch. 551, F.S., relating to the regulation of slot machine gaming at pari-mutuel locations.

<sup>29</sup> Section 849.086, F.S. Section 849.086(2)(c), F.S., defines "cardroom" to mean a facility where authorized card games are played for money or anything of value and to which the public is invited to participate in such games and charges a fee for participation by the operator of such facility.

<sup>30</sup> See s. 550.1625(1), F.S., "...legalized pari-mutuel betting at dog tracks is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state." See also *Solimena v. State*, 402 So.2d 1240, 1247 (Fla. 3d DCA 1981), review denied, 412 So.2d 470, which states "Florida courts have consistently emphasized the special nature of legalized racing, describing it as a privilege rather than as a vested right," citing *State ex rel. Mason v. Rose*, 122 Fla. 413, 165 So. 347 (1936).

## Gaming Compact with the Seminole Tribe of Florida

The current gaming compact with the Seminole Tribe of Florida (Seminole Tribe) dated April 7, 2010 (the 2010 Gaming Compact)<sup>31</sup> provides that it is not a crime for a person to participate in raffles, drawings, slot machine gaming, or banked card games (e.g., blackjack or baccarat) at a tribal facility operating under the 2010 Gaming Compact.<sup>32</sup>

The 2010 Gaming Compact also provides for revenue-sharing payments from the Seminole Tribe to the state. For its exclusive authority during a five-year period<sup>33</sup> to offer banked card games on tribal lands at five locations, and to offer slot machine gaming during the 20-year term of the 2010 Gaming Compact outside Miami-Dade and Broward Counties, the Seminole Tribe pays the State of Florida a share of “net win” (approximately \$240 million per year).<sup>34</sup>

Except for those locations authorized pursuant to the 2010 Gaming Compact, free-standing, commercial casinos are not authorized, and gaming activity, other than what is expressly authorized, is illegal.

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<sup>31</sup> The 2010 Gaming Compact was executed by the Governor and the Seminole Tribe on April 7, 2010, ratified by the Legislature, effective April 28, 2010, and approved by U.S. Secretary of the Interior, pursuant to the Indian Gaming Regulatory Act of 1988, on June 24, 2010. It took effect when published in the Federal Register on July 6, 2010. The 20-year term of the 2010 Gaming Compact expires July 31, 2030, unless renewed. Section 285.710(1)(f), F.S., designates the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation as the “state compliance agency” having authority to carry out the state’s oversight responsibilities under the 2010 Gaming Compact. See [http://www.flsenate.gov/...RI/Links/Gaming Compact between The Seminole Tribe of Florida and the State of Florida.pdf](http://www.flsenate.gov/...RI/Links/Gaming%20Compact%20between%20The%20Seminole%20Tribe%20of%20Florida%20and%20the%20State%20of%20Florida.pdf) (last accessed Feb. 8, 2016).

<sup>32</sup> See s. 285.710, F.S., especially subsections (3), (13), and (14). The seven tribal locations where gaming is authorized by the 2010 Gaming Compact are: (1) Seminole Hard Rock Hotel & Casino—Hollywood (Broward); (2) Seminole Indian Casino—Coconut Creek (Broward); (3) Seminole Indian Casino—Hollywood (Broward); (4) Seminole Hard Rock Hotel & Casino—Tampa (Hillsborough); (5) Seminole Indian Casino—Immokalee (Collier); (6) Seminole Indian Casino—Brighton (Glades); and (7) Seminole Indian Casino—Big Cypress (Hendry). Banked card games are not authorized at the Brighton and Big Cypress casinos.

<sup>33</sup> While the exclusive authorization to conduct banked card games expired July 31, 2015, and has not been renewed, according to staff at the department and the Legislature’s Office of Economic and Demographic Research, the Seminole Tribe has continued to transmit monthly payments to the state that include estimated table games revenue. The Seminole Tribe and the State of Florida are parties to litigation regarding the offering of table games by the Seminole Tribe after July 31, 2015. Those parties have negotiated a proposed gaming compact dated December 7, 2015 (the 2015 Gaming Compact), that the Governor, as the designated state officer responsible for negotiating and executing tribal-state gaming compacts with federally recognized Indian tribes, has transmitted to the President of the Senate and the Speaker of the House of Representatives for consideration, as required by s. 285.712, F.S. To be effective, the proposed 2015 Gaming Compact must be ratified by the Senate and by the House, by a majority vote of the members present. See s. 285.712(3), F.S.

<sup>34</sup> Subject to the outcome of the pending litigation between the state and the Seminole Tribe respecting continuation of the authorization to offer table games, the 2010 Gaming Compact provides if (1) authorization for banked card games is not extended beyond July 31, 2015, or (2) the Legislature authorizes Class III (casino-style) games in Broward or Miami-Dade County other than at the eight existing state-licensed pari-mutuel locations, then the “net win” for revenue sharing will exclude amounts from the Seminole Tribe’s facilities in Broward County (i.e., payments will be reduced by approximately \$120 million per year). If the Legislature authorizes new Class III (casino-style) games outside Broward and Miami-Dade Counties, then all revenue sharing under the 2010 Gaming Compact is discontinued.

### Other Authorized Activities

Chapter 849, F.S., also authorizes, with conditions, penny-ante games,<sup>35</sup> bingo,<sup>36</sup> charitable drawings, game promotions (sweepstakes),<sup>37</sup> bowling tournaments, and amusement games and machines.<sup>38</sup>

### Care of Racing Greyhounds

The division, by administrative rule adopted pursuant to s. 550.2415(12), F.S., requires notification of the death of a racing greyhound while in training or during a race on the grounds of a greyhound track or kennel compound.<sup>39</sup> The track must notify the division, within 18 hours, of the deceased animal's location, where the death occurred, and how to reach the kennel operator, trainer and the person making the report. Haulers or drivers who transport racing animals must be licensed, and greyhound trainers of record are responsible for physically inspecting the animals in their care for sores, cuts, abrasions, muzzle burns, fleas, and ticks.<sup>40</sup> If an animal is injured and later dies or is euthanized, the division may conduct a postmortem examination.<sup>41</sup>

## III. Effect of Proposed Changes:

**Section 1** of the bill amends s. 550.002, F.S., (Line 208, page 8) to address the requirements to be met by permitholders for live racing. The bill revises ch. 550 regarding Pari-mutuel Wagering to allow a greyhound racing permitholder, jai alai permitholder, harness racing permitholder, and quarter horse permitholder to determine, on an annual basis, whether it will offer live racing or games (live performances) at its pari-mutuel facility. Ending the requirement for the offering of live performances is known as “decoupling.”

Outdated references to converted greyhound permits and partial-year racing dates are removed. References to evening or matinee performances are removed.

Current law provides that a jai alai permitholder that does not operate slot machines in its pari-mutuel facility must conduct at least 40 live performances, if it has:

- Conducted at least 100 live performances per year for at least 10 years after December 31, 1992; and
- Had handle on live jai alai games conducted at its pari-mutuel facility which was less than \$4 million per state fiscal year for at least 2 consecutive years after June 30, 1992.

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<sup>35</sup> Section 849.085, F.S.

<sup>36</sup> Section 849.0931, F.S.

<sup>37</sup> Section 849.094, F.S., authorizes game promotions in connection with the sale of consumer products or services.

<sup>38</sup> Section 849.161, F.S.

<sup>39</sup> See Rule 61D-2.023(3)(k), F.A.C., which became effective May 21, 2013. According to the department, 192 reports of greyhound deaths were filed with the division between May 31, 2013 and December 31, 2014.

<sup>40</sup> See Rules 61D-2.023(4) and (6), F.A.C.

<sup>41</sup> Section 550.2415(9), F.S. also provides that postmortem examinations may be made of any animal that dies while housed at a permitted racetrack, association compound, or licensed kennel or farm.

If a summer jai alai permitholder meets the above requirements, current law provides it may conduct 40 live performances. The bill changes the minimum number of live performances for summer jai alai live permitholders who do not meet those requirements from 100 to 58.

If a jai alai permitholder operates slot machines in its pari-mutuel facility, current law provides it must conduct at least 150 performances.

The bill defines a form of pari-mutuel wagering based on video signals of recorded thoroughbred races that occurred either in Florida or out of state. The “video race system” or “video race” signals are sent from a server in Florida operated by a licensed totalizator<sup>42</sup> company and displayed at individual wagering terminals at a pari-mutuel facility.

**Section 2** of the bill amends s. 550.01215, F.S., (Line 282, page 10), regarding operating license applications (applications) required to be filed annually with the Division of Pari-mutuel Wagering (division) in the Department of Business and Professional Regulation (department) by pari-mutuel permitholder, for a license to conduct pari-mutuel wagering during the next fiscal year (July 1 through June 30). The bill requires the filing of an application by all greyhound racing permitholders, jai alai permitholders, harness racing permitholders, and quarter horse permitholders accepting intertrack and simulcast wagering, even those not conducting live performances.

Such permitholders, if authorized to conduct slot machine gaming, will no longer be required to conduct live performances, and their slot machine license will no longer be conditioned upon the conduct of live performances. It is not clear whether this provision actually applies to all such permitholders.

The bill requires permitholders that accept wagers on broadcast events to disclose the dates of all those events in their application.

The bill provides that certain greyhound racing permitholders<sup>43</sup> may specify that they do not intend to conduct live racing, or that they intend to conduct less than a full schedule of live racing, in the next state fiscal year. Further, a greyhound racing permitholder may receive an operating license to conduct pari-mutuel wagering activities at another permitholder’s greyhound racing facility pursuant to s. 550.475, F.S., which requires that the permitholders be located within a 35-mile radius of each other.

The bill allows the division to approve changes in racing dates for Fiscal Year 2016-2017, if the requests from a greyhound racing permitholder is received before August 31, 2016.

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<sup>42</sup> Section 550.002(36), F.S., defines “totalisator” as the computer system used to accumulate wagers, record sales, calculate payoffs, and display wagering data on a display at a pari-mutuel facility. The term is commonly shortened to “tote board.” Section 550.495, F.S., sets forth licensing and regulation of totalisator companies.

<sup>43</sup> Only those greyhound racing permitholders that conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the state Fiscal Year 1996-1997, or that converted a permit to a permit to conduct greyhound racing after that state fiscal year, are authorized to file an application in this manner. *See* Lines 310-320 of the bill, amending s. 550.01215(1) to add subsection (b).

The bill states the requirements for a summer jai alai permitholder to operate a jai alai fronton only for the summer season each year, for dates selected by the permitholder (between May 1 and November 30). All taxes, rules, and provisions of ch. 550 which apply to winter jai alai permitholders apply to summer jai alai permitholders. Winter and summer jai alai permitholders may not operate on the same days or in competition with each other, but the facilities of a winter jai alai permitholder may be leased for the operation of a summer meet.

**Section 3** of the bill amends s. 550.0251, F.S., (Line 360, page 13) concerning the required content of the annual report from the division to the Governor, Senate, and House of Representatives. The annual report must include, at a minimum:

- Recent events in the gaming industry, including pending litigation; pending permitholder, facility, cardroom, slot, or operating license applications; and new and pending rules;
- Actions of the department relating to the implementation and administration of ch. 550, F.S.;
- The state revenues and expenses associated with each form of authorized gaming; revenues and expenses associated with pari-mutuel wagering must be further delineated by the class of license;
- The performance of each pari-mutuel wagering licensee, cardroom licensee, and slot machine licensee;
- A summary of disciplinary actions taken by the department; and
- Any suggestions to more effectively achieve the purposes of ch. 550, F.S.

**Section 4** of the bill amends s. 550.054, F.S., (Line 389, page 14), respecting applications for permits to conduct pari-mutuel wagering.<sup>44</sup> The bill provides for revocation of permits, unless a failure to obtain an operating license was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. The division must revoke a permit if the permitholder:

- Has not obtained an operating license for a period of more than 24 consecutive months after June 30, 2012; or
- Fails to make payments for taxes on handle for more than 24 months.

The bill provides that a new pari-mutuel permit may not be approved or issued after July 1, 2016, and a revoked permit is void and may not be reissued.

The bill allows the division to place a permit into inactive status for a period of 12 months for good cause and renew inactive status for a period of up to 12 months, but a permit may not be inactive for a period of more than 24 consecutive months. Entities with inactive permits are not eligible for licensure for pari-mutuel wagering, slot machines, or cardrooms.

The bill provides that a pari-mutuel license may not be transferred or reissued so as to change the location of a pari-mutuel facility, cardroom, or slot machine facility. The bill removes provisions allowing for the transfer of a thoroughbred permit to another racetrack and allowing conversion of a jai alai permit to a greyhound racing permit.

The bill limits the relocation of a pari-mutuel facility, cardroom, or slot machine facility. The bill allows a greyhound racing permit that was converted from a jai alai to be relocated to another location, if the application is received by July 31, 2018, and if the new location is:

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<sup>44</sup> Applications by permitholders for operating licenses are addressed in Section 2 of the bill.

- In the same county;
- Within a 30-mile radius of the original location; and
- Approved under the zoning regulations of the affected county or municipality.

**Section 5** of the bill repeals s. 550.0555, F.S., (Line 521, page 18), relating to the procedures to accomplish relocation of a greyhound racing permit.

**Section 6** of the bill repeals s. 550.0745, F.S., (Line 522, page 18), relating to the procedure to convert a pari-mutuel permit to a summer jai alai permit.

**Section 7** of the bill amends s. 550.0951, F.S., (Line 523, page 18), respecting the payment of daily license fee and taxes. The bill removes the tax exemption specified in s. 550.09514(1), F.S., of \$360,000 or \$500,000 for each greyhound racing permitholder, and removes other tax credits. The bill removes the authorization in current law that allowed transfers of the tax exemption or other credits among greyhound permitholders, and the requirement that such transfers be approved by the division.

The bill reduces the tax on handle for greyhound racing to 1.28 percent from 5.5 percent. A tax of .5 percent is imposed if the host and guest tracks are thoroughbred racing permitholders, or if the guest track is located outside the market area of a host track that is not a greyhound racing track and within the market of a thoroughbred racing permitholder currently conducting a live meet.

The bill creates a new subsection (5) in s. 550.0951, F.S., to provide for taxes and fees on video race terminals, which may be offered by the additional slot machine licensees that are issued licenses pursuant to s. 551.1041 (*see* **Section 28**). A permitholder conducting play on video race terminals must pay a tax equal to 2 percent of the handle from the video race terminals located at its facility. Annually on the anniversary date of the authorization to conduct play on video race terminals, the licensee shall pay a \$50,000 fee to the department, for deposit into the Pari-mutuel Wagering Trust Fund, to be used by the division and the Department of Law Enforcement for regulation of video race, enforcement of video race provisions, and related investigations.

**Section 8** of the bill amends s. 550.09511, F.S., (Line 728, page 25) to make conforming references.

**Section 9** of the bill amends s. 550.09512, F.S., (Line 740, page 26), respecting harness horse racing, by requiring the division to revoke the permit of a harness horse racing permitholder that does not pay tax on handle for live harness racing performances for a full schedule of live races for more than 24 consecutive months, unless the failure to operate and pay tax was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. The revoked permit is void and may not be reissued. The bill removes a provision allowing reissuance of a harness horse permit that has been revoked for nonpayment of taxes (i.e., has escheated to the state).

**Section 10** of the bill amends s. 550.09514, F.S., (Line 797, page 28) respecting greyhound racing taxes and purse requirements. The bill removes tax credits of \$360,000 and \$500,000 available to permitholders. The bill revises additional purse payments by requiring greyhound

racing permitholders conducting live racing during a fiscal year to pay an annual amount of \$60 for each live race conducted in the preceding fiscal year. The bill removes fees equal to 75 percent of the daily license fees, and other requirements and qualifications. Purses must be disbursed weekly during the permitholder's race meet. A citation to tax rates is revised, pursuant to s. 6, chapter 2000-354, Laws of Florida.

**Section 11** of the bill amends s. 550.09515, F.S., (Line 942, page 33), respecting thoroughbred racing taxes. The bill requires the division to revoke the permit of a thoroughbred racing permitholder that does not pay tax on handle for live thoroughbred horse performances for a full schedule of live races for more than 24 consecutive months, unless the failure to operate and pay tax was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. A revoked permit is void and may not be reissued. The bill removes a provision allowing reissuance of a thoroughbred horse permit that has been revoked for nonpayment of taxes (i.e., has escheated to the state).

**Section 12** of the bill amends s. 550.1625, F.S., (Line 1033, page 36) respecting greyhound racing taxes by removing a reference to a greyhound racing permitholder paying the breaks tax.

**Section 13** of the bill repeals s. 550.1647, F.S., (Line 1053, page 37), respecting any unclaimed, uncashed, or abandoned pari-mutuel tickets which have remained in the custody of a greyhound racing permitholder.

**Section 14** of the bill amends s. 550.1648, F.S., (Line 1055, page 37) respecting greyhound racing adoptions, and requires as a condition of adoption, that a bona fide organization must provide sterilization of greyhounds by a licensed veterinarian before relinquishing custody of the greyhound to the adopter. The fee for sterilization may be included in the cost of adoption.

**Section 15** of the bill creates s. 550.1751, (Line 1105, page 38), reducing the number of pari-mutuel permits. The bill defines "active pari-mutuel permit" as a pari-mutuel permit that is actively used for the conduct of pari-mutuel racing or jai alai and under which the permitholder is operating all performances at the dates and times specified on its operating license.

The bill defines "bidder for an additional slot machine license" as a person who submits a bid or intends to submit a bid for an additional slot machine license in Miami-Dade County or Palm Beach County, as provided in s. 551.1041.

A pari-mutuel permitholder may enter into an agreement for the sale and transfer of an active pari-mutuel permit to a bidder for an additional slot machine license. An active pari-mutuel permit sold and transferred to the highest bidder under the process in s. 551.1041 must be surrendered to the division and voided.

The bill authorizes a pari-mutuel permitholder to enter into an agreement for the sale and transfer of an active pari-mutuel permit to a bidder of an additional slot machine license. An active pari-mutuel permit that is sold and transferred to the highest bidder must be surrendered to and voided by the division.

**Section 16** of the bill creates s. 550.1752 (Line 1124, page 39), establishing a pari-mutuel permit reduction program. The program is created to authorize the division to purchase and cancel active pari-mutuel permits. Funding for the program is generated by the revenue share payments made by the Seminole Tribe of Florida under the 2010 Gaming Compact and received by the State, that are associated with the playing of banked card games on tribal lands after November 1, 2015. Payments funding the program are calculated on a monthly basis until the division determines sufficient funds are available, but the funding limit for the program is \$20 million.

A pari-mutuel permitholder may not submit an offer to sell unless it is actively conducting racing or jai-alai as required and satisfies all applicable requirements for the permit. Sufficient moneys must be available before the purchase may be made. The division may adopt rules to implement the program.

The value of the permit must be based upon the valuation of fair market value by one or more independent appraisers selected by the division. The value may not include the value of real estate or personal property. The division may establish a value for the permit that is lower than the amount determined by the independent appraiser, but may not establish a higher value.

The division must accept the offer or offers that best use the available funding, however, the division may also accept offers that it determines are the most likely to reduce the incidence of gaming in Florida. The division must cancel a permit purchased through the program. This provision expires July 1, 2018, unless reenacted.

**Section 17** of the bill creates s. 550.2416 (Line 1162, page 40), requiring the reporting of racing greyhound injuries. The bill requires greyhound track veterinarians to prepare and sign detailed reports under oath, on a form adopted by the division, of all injuries to racing greyhounds that occur while the greyhounds are on a racetrack.

If the injury of a racing greyhound occurs at a location other than a racetrack, or during transportation, the injury report must state the location where the injury occurred and the circumstances. A report for such an injury must be prepared and signed under oath by a greyhound owner, trainer or kennel operator who has knowledge of the injury.

Reporting is required within 7 days after the date the injury occurred or is believed to have occurred. The reports are public records that must be maintained for 7 years by the division.

The bill requires reporting of the following information about an injury:

- Specific identification of the injured greyhound (name, tattoos, microchip information), with contact information for the greyhound's owner, trainer, and kennel operator; and
- The type and location of the injury, its cause, and estimated recovery time.

Further, if the injury occurs during a race, an injury report must state:

- The name of the racetrack and the time injury occurred;
- The distance, grade, race, and post position of the injured greyhound; and
- The weather and track conditions at the time of the injury.



False statements in an injury report or the failure to report an injury subjects licensees of the department to disciplinary action under pari-mutuel, regulatory, and professional practice laws. Racing greyhound injury reports must be sworn to under penalty of perjury.<sup>45</sup> False statements in an injury report by a veterinarian, owner, trainer, or kennel operator may result in discipline of that licensee by the division as permitted by the provisions of ch. 550, F.S., (Pari-mutuel Wagering, ch. 455, F.S., (Business and Professional Regulation: General Provisions) or ch. 474, F.S., (Veterinary Medical Practice).

The requirement to report injuries to racing greyhounds does not apply to injuries to a service animal, personal pet, or greyhound that has been adopted as a pet.

**Section 18** of the bill amends s. 550.26165, F.S., (Line 1216, page 42), respecting breeders' awards to conform references to changes made in the bill.

**Section 19** of the bill amends s. 550.3345, F.S., (Line 1265, page 44), regarding issuance of limited thoroughbred racing permits (through conversion from a quarter horse permit as allowed by ch. 2010-29, Laws of Florida). The bill removes obsolete language, and removes a provision allowing for relocation of the permit. The bill prohibits transfer of a limited thoroughbred racing permit to another person or entity.

**Section 20** of the bill amends s. 550.3551, F.S., (Line 1346, page 47), regarding transmission of racing and jai alai information, to remove an outdated reference and to remove a reference to live racing requirements for intertrack wagering by harness horse permitholders.

**Section 21** of the bill amends s. 550.375 (Line 1396, page 49), regarding the operation of certain harness horse race tracks, by conforming a statutory reference.

**Section 22** of the bill amends s. 550.615, F.S., (Line 1404, page 49), regarding intertrack wagering by providing that a track or fronton licensee that conducted a full schedule of live racing or games in the preceding year and a greyhound racing permitholder that conducted a full schedule of live racing for at least 10 consecutive years after Fiscal Year 1996-97 qualifies to receive broadcasts of any class of pari-mutuel race or game and accept wagers on such races or games conducted by any class of permitholders licensed under ch. 550, F.S.

A licensed greyhound racing permitholder that accepts intertrack wagers on live greyhound racing signals is not required to obtain written consent from any operating greyhound racing permitholder within its market area. The bill removes provisions limiting intertrack wagering where there are three or more horserace permitholders within 25 miles of each other, and requiring consent of a permitholder where there are only two permits (greyhound racing and jai alai) in the county.

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<sup>45</sup> Section 837.012, F.S., provides that makers of false statements under oath in regard to any material matter (such as those made in an injury reporting form) which he or she does not believe to be true, are guilty of a first degree misdemeanor and may be sentenced to a term of imprisonment up to one year and required to pay a fine not to exceed \$1,000.

The bill removes requirements in existing s. 550.615(8), F.S., that permitholders in any three contiguous counties where there are only three greyhound racing permitholders conduct live racing before they may conduct intertrack wagering. (*See* Line 1458, page 51).

The bill authorizes a greyhound racing permitholder operating pursuant to a current year's operating license that specifies no live performances or less than a full schedule of live performances to:

- Receive broadcasts at any time of any class of pari-mutuel race or game and accept wagers on such races or games conducted by any class of licensed permitholder; and
- Accept wagers on live races conducted at out-of-state greyhound tracks only on the days when the permitholder receives all live races that any greyhound tract in the state makes available.

**Section 23** of the bill amends s. 550.6305, F.S., (Line 1493, page 52), respecting intertrack wagering, and authorizes a permitholder located in any area of the state where there are only two permits (greyhound racing and jai alai), and any permitholder that converted its permit to conduct jai alai to a greyhound permit, to accept wagers on rebroadcasts of an out-of-state thoroughbred or harness horse racing permitholder. The bill also provides conforming changes.

**Section 24** of the bill amends s. 550.6308, F.S., (Line 1646, page 55), respecting limited intertrack wagering licenses, by reducing the number of days that thoroughbred horse sales must be conducted from fifteen days to eight days. The bill removes the requirement to conduct at least one day of nonwagering thoroughbred racing with a \$250,000 purse per year for two consecutive years.

The bill amends the requirement that the limited intertrack wagering license not be issued for a facility within 50 miles of any thoroughbred racing permitholder's track, by limiting such issuance to 50 miles of any for-profit thoroughbred racing licensed track. The bill also removes the requirement for consent of all other permitholders in the same county, in order for the limited intertrack wagering permitholder to conduct intertrack wagering on any type of pari-mutuel racing or game.

**Section 25** of the bill amends s. 551.101, F.S., (Line 1644, page 57), to restate current law to restrict the possession of slot machines and require the conduct of slot machine gaming at licensed facilities. The bill removes obsolete language.

**Section 26** of the bill amends s. 551.102, F.S., (Line 1663, page 58), to revise the definition of the term "eligible facility" to remove substantive provisions relating to qualifications for licensing of a facility pursuant to s. 551.104, F.S., and moves those qualification requirements to s. 551.104, F.S. The bill also makes conforming changes.

**Section 27** of the bill amends s. 551.104, F.S., (Line 1694, page 59), to provide the requirements for a licensed pari-mutuel facility to be eligible for a slot machine license to be issued, if it is first determined that a reduction in revenue-sharing payments under the Gaming Compact between the Seminole Tribe of Florida and the State of Florida would not be triggered:

- A facility where live racing or games were conducted during calendar years 2002 and 2003 which is located in Miami-Dade County or Broward County and is authorized for slot machine licensure pursuant to s. 23, Art. X of the State Constitution;
- A facility where a full schedule of live horseracing has been conducted for 2 consecutive calendar years immediately preceding its application for a slot machine license and which is located within a county as defined in s. 125.011; and
- A licensed pari-mutuel facility authorized under s. 551.1041.

The bill authorizes greyhound racing permitholders that have conducted a full schedule of live racing for a period of at least 10 consecutive years after 2002-2003 or a thoroughbred racing permitholder that holds a slot machine license if it has an agreement to conduct its race meet at another thoroughbred permitholder's facility, to conduct slot machine gaming at its slot machine facility.

The bill requires each slot machine licensee that does not offer live racing to withhold two percent of its net revenue to be deposited into a purse pool to be paid as purses to licensed pari-mutuel facilities offering live racing or games. This provision does not apply to the additional slot machine licensees awarded a license pursuant to s. 551.1041.

**Section 28** of the bill creates s. 551.1041 (Line 1748, page 61) to provide the procedure by which two additional slot machine licenses may be issued for locations in Miami-Dade and Palm Beach counties. The bill requires a referendum in each county to be held after July 1, 2016.

The bill sets forth the process for award of the additional slot machine licenses:

- An application must be made by sealed bid;
- The award will be made to the highest bidder, based on prequalification criteria that, at a minimum, evidence that the bidder:
  - Meets the qualifications in ch. 550 and ch. 551, as applicable; and
  - Has purchased, or entered into an agreement to purchase and transfer, an active pari-mutuel permit with the intent to surrender and void such permit, as provided in s. 550.1751.
- The minimum bid is \$3 million, and if no minimum bids are received, the award process will begin upon the initiative of division or upon the receipt of a petition by a potential bidder to start the bid process; and
- The number of slot machines that may be offered for play before October 1, 2018 may not exceed 500 slot machines and 250 video race terminals; on or after October 1, 2018, the number of slot machines may not exceed 750 slot machines and 750 video race terminals.

The bill states the requirements for slot machines and video race terminals authorized for the additional slot machine licensees that may be awarded a license for a location in Miami-Dade or Palm Beach counties:

- A wager on a slot machine or a video race terminal may not exceed \$5 per game or race;
- Only one game or race may be played at any given time on a slot machine or video race terminal, and a player may not wager on a new game or race until the previous game or race has been completed;

- Slot machines and video race terminals may not offer games that use tangible playing cards, but may have games that use electronic or virtual cards;

The bill provides that the term “video race terminal” mean an individual racing terminal linked to a central server as part of a network-based video game in which the terminals allow pari-mutuel wagering by players on the results of previously conducted horse races, but only if the game is certified in advance by an independent testing laboratory licensed or contracted by the division as complying with all of the following requirements:

- All data on previously conducted horse races must be stored in a secure format on the central server, which must be located at the pari-mutuel facility;
- Only horse races that were recorded at licensed pari-mutuel facilities in the United States after January 1, 2005, may be used;
- After each wager is placed, the video race terminal must display a video of at least the final seconds of the horse race before any prize is awarded or indicated on the video race terminal;
- The display of the video of the horse race must be shown on the video race terminal’s video screen;
- Mechanical reel displays are prohibited;
- A video race terminal may not contain more than one player position for placing wagers;
- Coins, currency, or tokens may not be dispensed from a video race terminal; and
- Prizes must be awarded based solely on the results of a previously conducted horse race, and no additional element of chance may be used. A random number generator must be used to select from the central server the race to be displayed to the player(s) and to select numbers or other designations of race entrants that will be used in the various bet types for any “Quick Pick” bets. To prevent a player from recognizing the race based on the entrants and identifying the outcome of the race before placing a wager, the entrants of the race may not be identified until after all wagers for that race have been placed.

**Section 29** of the bill creates s. 551.1042 (Line 1851, page 64) to prohibit the transfer or relocation of slot machine licenses.

**Section 30** of the bill amends s. 551.106, F.S., (Line 1858, page 64), to remove obsolete language, and reduces the tax on slot machine revenues from 35 percent to 30 percent.

**Section 31** of the bill amends s. 551.114, F.S., (Line 1898, page 66), by reducing the number of machines that may be available to play in a slot gaming area to 1,700 from 2,000. The bill requires a greyhound racing permitholder, jai alai permitholder, harness racing permitholder, or quarter horse permitholder that no longer offers live performances to operate slot machines only within the gaming area in the eligible facility for which the initial annual slot machine license was issued.

**Section 32** of the bill amends s. 551.116, F.S., (Line 1923, page 67), to extend the number of hours that a slot machine gaming area may be open on weekdays, from 18 hours, to 24 hours, which matches the authorized operating hours on weekends.

**Section 33** of the bill amends s. 551.121, F.S., (Line 1931, page 67), to allow complimentary or reduced-costs alcoholic beverages to be served to a person playing a slot machine. The bill

provides that a slot machine licensee may allow automatic teller machines (ATMs) or similar devices designed to provide credit or dispense cash, to be located in the gaming area.

**Section 34** of the bill amends s. 849.086, F.S., (Line 1943, page 67), regarding the operation of cardrooms, to:

- Amend the definition of “authorized game” to mean a game or series of card and domino games that are played in conformance with the provision of the bill; for authorized games of poker or dominoes, a nonplaying live dealer employed by the cardroom operator must be provided at each game table;
- Revise the definition of “banking game” to delete games in which the cardroom establishes a bank against which participants play;
- Revise the definition for cardroom to state that authorized games and cardrooms do not constitute casino gaming operations, but only if they are conducted at an eligible facility;
- Define the term “designated player game” as a game consisting of at least three cards in which the players compare their cards only to the cards of the designated player; the “designated player” is the player in a designated player game who is identified as the player in the dealer position, is seated in a traditional player position, and who pays winning players and collects from losing players;
- Create an exception for the location of a cardroom by a thoroughbred racing permitholder that holds a slot machine license, but conducts its race meet at another location, if the permitholder has entered into an agreement with another thoroughbred racing permitholder to conduct its race meet at the other thoroughbred racing permitholder’s facility. The cardroom must be operated at the slot facility stated in the permitholder’s slot machine license;
- Remove certain live racing requirements for renewal of a cardroom license by permitholders;
- Exempt certain greyhound racing permitholders from live racing, if they conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the state Fiscal Year 1996-1997, or that converted a permit to a permit to conduct greyhound racing after that state fiscal year. Those greyhound racing permitholders who are not conducting a full schedule of live racing must conduct intertrack wagering on thoroughbred signals, to the extent available, on each day of cardroom operation;
- Extend the hours a cardroom may be open on weekdays, from 18 hours, to 24 hours, which matches the authorized operating hours on weekends;
- Prohibit cardrooms from conducting any game not authorized.
- Revise provisions relating to contributions to purses to apply to those pari-mutuel permitholders that offer live racing.
- Prohibit the transfer or reissuance in the nature of transfer, of a cardroom license that would result in a change of location of a cardroom, and removes provisions relating to the procedure for obtaining consent by referendum for a change in location of a cardroom.
- Authorize designated player games, under the following conditions:
  - Cardroom operators that do not possess a slot machine license may offer the games;
  - Licensed pari-mutuel facilities that offer slot machine gaming or video race terminals may not offer the games;
  - The maximum wager in such games may not exceed \$25;
  - The games must meet certain requirements, including who may be a designated player, how often, how the position of designated player moves among players, and how bets may be covered;

- Provides criteria which the cardroom must meet including maximum makeup of the number of authorized game tables at the cardroom;
- The cardroom operator may not serve as a designated player in any game, and may not have any direct or indirect financial or pecuniary interest in a designated player in any game;
- A designated player may only wager personal funds or funds from a sole proprietorship, must operate independently, and may not be directly or indirectly financed or controlled by another party;
- Designated player games offered by a cardroom operator may not make up more than 25 percent of the total authorized game tables at the cardroom; and
- Designated player games may only be approved by the division if such games would not trigger a reduction in revenue-sharing payments under the Gaming Compact.

**Section 35** of the bill (Line 2310, page 80) provides that the division must revoke any permit to conduct pari-mutuel wagering if a permitholder has not conducted live events within the 24 months preceding the effective date of the bill, unless the permit is a limited thoroughbred racing permit that was issued under s. 550.3345, F.S. A permit revoked for failure to conduct live events within the 24 months preceding the effective date of the bill may not be reissued.

**Section 36** of the bill (Line 2317, page 80), provides that the provisions of the bill are not severable. If the bill or any of its provisions are determined to be unconstitutional, or the applicability thereof to any person or circumstance is held invalid:

- All other provisions or applications of the provisions of the bill are invalid; and
- The bill is considered never to have become law.

**Section 37** of the bill (Line 2324, page 81) states the requirements for SPB 7072 to become effective. The bill requires the enactment of SB 7074, respecting the Gaming Compact between the Seminole Tribe of Florida and the State of Florida, or similar legislation ratifying the Gaming Compact between the Seminole Tribe of Florida and the State of Florida executed by the Governor and the Seminole Tribe of Florida on December 7, 2015 (the 2015 Gaming Compact).

In addition, the bill requires approval of the 2015 Gaming Compact by the United States Department of the Interior (Department of the Interior) as required under the Indian Gaming Regulatory Act of 1988. SPB 7072 will be effective upon the date of publication of such approval by the Department of the Interior in the Federal Register.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

C. Trust Funds Restrictions:

D. Other Constitutional Issues:

Article III, section 10, of the Florida Constitution forbids the Legislature to pass a special law without either providing advance notice of intent to enact the law or conditioning the law's effectiveness upon a referendum of the electors of the areas affected.<sup>46</sup> As the term is used in the Florida Constitution, a special law is “a special or local law, and case law defines “special law,” “local law,” and “general law” as follows:

[A] special law is one relating to, or designed to operate upon, particular persons or things, or one that purports to operate upon classified persons or things when classification is not permissible or the classification adopted is illegal; a local law is one relating to, or designed to operate only in, a specifically indicated part of the state, or one that purports to operate within classified territory when classification is not permissible or the classification adopted is illegal.

A general law operates universally throughout the state, or uniformly upon subjects as they may exist throughout the state, or uniformly within permissible classifications by population of counties or otherwise, or is a law relating to a state function or instrumentality.<sup>47</sup>

The provisions in s. 551.1041 for the issuance of one slot machine license in Miami-Dade County, and one slot machine license in Palm Beach County (in addition to the four existing slot machine licenses in Miami-Dade County, and the four existing slot machine licenses in Broward County) do not operate universally or uniformly throughout the state. Therefore, the bill requires in subsection (3) of s. 551.1041 that additional slot machine licenses may not be issued in Miami-Dade or Palm Beach counties, until a majority of the voters in the county where the proposed slot machine gaming facility is to be located have approved slot machines at that facility in a referendum to be held after July 1, 2016.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

An impact conference will be required to evaluate the provisions of SPB 7072. Similar provisions to those in the bill respecting the option granted to greyhound racing permitholders to continue with or discontinue live racing, were evaluated by the Revenue Estimating Conference (REC) on April 16, 2015. The REC assessed the impact of SPB

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<sup>46</sup> *DeBary Real Estate Holdings, LLC v. State Dept. of Bus. and Prof'l. Reg.*, 112 So.3d 157, 163 (Fla. 1st DCA 2011).

<sup>47</sup> *Id.* (quoting *State ex rel. Landis v. Harris*, 120 Fla. 555, 163 So. 237, 240 (1934)).

7088, regarding Gaming,<sup>48</sup> which largely mirrors the provisions in SPB 7072 regarding the ending of live racing requirements for greyhound racing permitholders. The REC reviewed provisions in SPB 7088 that included:

- For greyhound racing permitholders, beginning in Fiscal Year 2015-2016, and each fiscal year thereafter, the removal of minimum live performance requirements associated with:
  - Applications for annual pari-mutuel operating license;
  - The conduct of intertrack wagering;
  - Renewal of annual slot machine license; provided the designated slot machine gaming areas may only be located within the eligible facility for which the division issued the initial annual slot machine license; and
  - Renewal of annual cardroom license; provided such permitholder conducts intertrack wagering on greyhound races that are broadcast, to the extent available, on each day of cardroom operations.
- Authorization for a greyhound racing permitholder to amend its operating license for Fiscal Year 2015-2016, through August 31, 2015.

The REC noted the removal of certain tax credits for greyhound racing permitholders that conduct live racing each state fiscal year:

- Exemption tax credit: The three permitholders (Washington County Kennel Club, Pensacola Greyhound, and Jefferson County Kennel Club) that conducted a full schedule of live racing in 1995, and are closest to another state that authorizes greyhound pari-mutuel wagering, receive a credit of \$500,000; all other greyhound racing permitholders exemption tax credit in the amount of \$360,000;
- Daily license fee credit; and
- The unclaimed pari-mutuel tickets (escheated tickets) credit.<sup>49</sup>

Other changes in SPB 7088 that were noted by the REC:

- Amendment of the effective tax rates for host greyhound racing permitholders to a single rate of 1.28 percent for all handle types;
- Removal of the requirement that a greyhound racing permitholder pay the \$80 daily license fee for each live or simulcast race;
- Elimination of the authorization for greyhound racing permitholders to conduct charity days in addition to their regular racing days.
- Removal of the limit of a maximum of 20 percent of the total number of races on which wagers are accepted by certain greyhound racing permitholders not located as specified in s. 550.615(6), F.S., may receive from locations outside the state.

All estimates include:

- Loss in daily license fees from all greyhound tracks;

<sup>48</sup> See [http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2015/\\_pdf/page462-466.pdf](http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2015/_pdf/page462-466.pdf) (last accessed Feb. 8, 2016).

<sup>49</sup> Section 550.1645, F.S., provides that after one year, the winnings from all unclaimed pari-mutuel tickets become property of the state. Permitholders must pay the unclaimed (escheated) winnings to the state. The funds are deposited into the State School Fund and are used for the maintenance of “public free schools,” as required by FLA. CONST. art.IX, s. 6.



- Amending the effective tax rates for host greyhound permitholders to a single tax rate of 1.28 percent for all handle types;
- Adding 60 percent of live and intertrack handle from those that cease or reduce live racing and recapture through intertrack wagering and applying an effective tax rate of 1.28 percent; and
- Removing applicable tax credits that are no longer applicable.

Jefferson Kennel Club was not licensed to operate, and is not included in the estimates.

The REC calculated loss in taxes from six permitholders likely to cease live racing, one that is likely to reduce live races by 50 percent, and six that are likely to reduce live racing by approximately 40 percent. Overall, greyhound racing live racing performances were estimated to be reduced by approximately 42 percent.

The (loss) or gain in tax revenue is projected by the REC as follows (middle estimate):<sup>50</sup>

- Fiscal Year 2015-2016 (\$307,335)
- Fiscal Year 2016-2017 (\$86,092)
- Fiscal Year 2017-2018 \$81,632
- Fiscal Year 2018-2019 \$209,940
- Fiscal Year 2019-2020 \$308,171

#### B. Private Sector Impact:

Pari-mutuel permitholders who hold active, dormant, and inactive permits must evaluate the impact of the provisions of the bill on their operations and business interests. Greyhound racing permitholders, jai alai permitholders, harness racing permitholders, and quarter horse permitholders must determine, on an annual basis, whether to offer live racing or games at their pari-mutuel facilities. Ending the requirement for the offering of live racing or games by these types of permitholders is known as “decoupling.”

#### C. Government Sector Impact:

The Division of Pari-mutuel Wagering (division) must implement the provisions of the bill, and establish forms and procedures for the pari-mutuel permit reduction program, and for the issuance of additional slot machine licenses in Miami-Dade and Palm Beach counties.

Recordkeeping and producing documents in response to public records requests for injury reports on racing greyhounds will have an indeterminate impact on the workload of the division, depending on the number of injury reports that are filed. The department estimated the fiscal impact to the state in 2014-2015 from a low of \$60,727 if it collects reports and serves as a repository (one additional staff), to a high of \$425,163 if it

<sup>50</sup> See <http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2015/pdf/page462-466.pdf> (last accessed Feb. 8, 2016) at 463-465.

reviews the reports, assesses the accuracy of reports, investigates false statements, and pursues administrative action (five additional staff and three additional vehicles).<sup>51</sup>

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

The bill requires the enactment of SB 7074, respecting the Gaming Compact Between the Seminole Tribe of Florida and the State of Florida, or similar legislation ratifying the Gaming Compact between the Seminole Tribe of Florida and the State of Florida executed by the Governor and the Seminole Tribe of Florida on December 7, 2015 (the 2015 Gaming Compact).

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 550.002, 550.01215, 550.0251, 550.054, 550.0951, 550.09511, 550.09512, 550.09514, 550.09515, 550.1625, 550.1648, 550.26165, 550.3345, 550.3551, 550.375, 550.615, 550.6305, 550.6308, 551.101, 551.102, 551.104, 551.106, 551.114, 551.116, 551.121, and 849.086.

This bill creates the following sections of the Florida Statutes: 550.1751, 550.1752, 550.2416, 551.1041, and 551.1042.

This bill repeals the following sections of the Florida Statutes: 550.0555, 550.0745, and 550.1647.

**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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<sup>51</sup> See 2015 Department of Business and Professional Regulation Legislative Bill Analysis for Senate Bill 2 (January 15, 2015) (on file with Senate Committee on Regulated Industries).



843294

LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Sachs) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Section 20.318, Florida Statutes, is created to  
read:

20.318 Department of Gaming.—There is created a Department  
of Gaming.

(1) GAMING COMMISSION.—There is created a board, as defined  
in s. 20.03, called the Gaming Commission, which is the head of



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the Department of Gaming.

(a) The commission consists of five members appointed by the Governor and subject to confirmation by the Senate. One member of the commission must be licensed in this state as a certified public accountant with at least 5 years of experience in general accounting, one member must have experience in the fields of investigation or law enforcement, and one member must have experience in the business of gaming.

(b) A person may not be appointed to or serve as a member of the commission if the person:

1. Is an elected state official.

2. Is licensed by the commission, or is an officer of, has a financial interest in, or has a direct or indirect contractual relationship with, any applicant for a license.

3. Is related to any person who is licensed by the commission within the second degree of consanguinity or affinity.

4. Has, within the 10 years preceding his or her appointment, been indicted for, been convicted of, pled guilty or nolo contendere to, or forfeited bail for a felony or a misdemeanor involving gambling or fraud under the laws of this or any other state or the United States.

5. Is a registered lobbyist.

(c) Each member of the commission is appointed to a 4-year term. However, for the purpose of providing staggered terms for the initial appointments, three members selected shall be appointed to 4-year terms, and the remaining two members shall be appointed to 2-year terms. Terms expire on June 30. Upon the expiration of the term of a member, the Governor shall appoint a



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40 successor to serve for a 4-year term in the same manner as the  
41 original appointment. A member of the commission whose term has  
42 expired shall continue to serve on the commission until a  
43 replacement is appointed. If a vacancy on the commission occurs  
44 before the expiration of the term, it shall be filled for the  
45 unexpired portion of the term in the same manner as the original  
46 appointment.

47 (d) A member of the commission may not serve more than two  
48 full terms. Members of the commission shall serve full-time  
49 during a term.

50 (e) The commission shall be headquartered in Tallahassee.  
51 However, the commission may establish field offices as it deems  
52 necessary.

53 (f) The initial meeting of the commission must be held by  
54 October 1, 2016. The commission shall elect a chair from among  
55 its membership, who remains chair for two full 4-year terms.  
56 Upon expiration of the chair's second term, the commission shall  
57 elect a chair from its membership at the next regular scheduled  
58 meeting. The commission must meet at least monthly, upon the  
59 call of the chair or upon the call of a majority of the members  
60 of the commission.

61 (g) The commission shall appoint an executive director. The  
62 executive director may hire assistants and other employees as  
63 necessary to conduct the business of the commission.

64 (h) The members of the commission, the executive director,  
65 and any other employees of the commission may not have a direct  
66 or indirect financial interest in the entities that the  
67 commission regulates. Such persons also may not engage in any  
68 political activity, including using their official authority to



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influence the result of an election. The members of the  
commission, the executive director, and other employees or  
agents of the commission may not engage in outside employment  
related to the activities or persons regulated by the  
commission.

(i) The members of the commission, the executive director,  
and each managerial employee must file annual financial  
disclosures. Such persons must also immediately disclose matters  
related to criminal arrests, negotiations for an interest in a  
licensee or applicant, and negotiations for employment with a  
licensee or an applicant and may not engage in activities that  
may constitute a conflict of interest.

(2) DIVISIONS.—The Department of Gaming shall consist of  
the following divisions:

(a) The Division of Administration.

(b) The Division of Enforcement.

(c) The Division of Licensure.

(d) The Division of Revenue and Audits.

(3) DEFINITIONS.—As used in this section, the term:

(a) "Commission" means the Gaming Commission.

(b) "Department" means the Department of Gaming.

(c) "Gaming" means any gaming activity, occupation, or  
profession regulated by the department.

(4) POWERS AND DUTIES.—

(a) The department shall adopt rules establishing a  
procedure for the renewal of licenses.

(b) The department shall submit an annual budget to the  
Legislature at a time and in the manner provided by law.

(c) The department shall adopt rules to administer the laws



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98 under its authority.

99 (d) The department shall require an oath on application  
100 documents as required by rule, which oath must state that the  
101 information contained in the document is true and complete.

102 (e) The department shall adopt rules for the control,  
103 supervision, and direction of all applicants, permittees, and  
104 licensees and for the holding, conducting, and operating of any  
105 gaming establishment under the jurisdiction of the department in  
106 this state. The department shall have the authority to suspend a  
107 permit or license under the jurisdiction of the department if  
108 the permitholder or licensee has violated any provision of  
109 chapter 550, chapter 551, chapter 849, or rules adopted by the  
110 department. Such rules must be uniform in their application and  
111 effect, and the duty of exercising this control and power is  
112 made mandatory upon the department.

113 (f) The department may take testimony concerning any matter  
114 within its jurisdiction and issue summons and subpoenas for any  
115 witness and subpoenas duces tecum in connection with any matter  
116 within the jurisdiction of the department under its seal and  
117 signed by the director. The commission may seek injunctive  
118 relief from the courts to enforce this act and any rule adopted  
119 by the commission.

120 (g) In addition to the power to exclude certain persons  
121 from any pari-mutuel facility in this state, the department may  
122 exclude any person from any and all gaming establishments under  
123 the jurisdiction of the department for conduct that would  
124 constitute, if the person were a licensee, a violation of  
125 chapter 550, chapter 551, chapter 849, or the rules of the  
126 department. The department may exclude from any gaming



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establishment under its jurisdiction any person who has been  
ejected from any pari-mutuel facility or other gaming  
establishment in this state or who has been excluded from any  
pari-mutuel facility or other gaming establishment in another  
state by the governmental department, agency, commission, or  
authority exercising regulatory jurisdiction over such  
facilities in such other state. The department may authorize any  
person who has been ejected or excluded from establishments in  
this state or another state to enter a pari-mutuel facility or  
gaming establishment in this state upon a finding that the  
attendance of such person would not be adverse to the public  
interest or to the integrity of the industry; however, this  
paragraph may not be construed to abrogate the common-law right  
of a pari-mutuel permitholder or a proprietor of a gaming  
establishment to exclude absolutely a patron in this state.

(h) The department may collect taxes and require compliance  
with reporting requirements for financial information as  
authorized by chapter 550, chapter 551, or chapter 849. In  
addition, the executive director of the department may require  
gaming establishments within its jurisdiction to remit taxes,  
including fees, by electronic funds transfer.

(i) The department may conduct investigations necessary for  
enforcing chapters 550, 551, and 849.

(j) The department may impose, for a violation of chapter  
550, chapter 551, or chapter 849, an administrative fine of not  
more than \$1,000 for each count or separate offense, except as  
otherwise provided in chapter 550, chapter 551, or chapter 849,  
and may suspend or revoke a permit, an operating license, or an  
occupational license for a violation of chapter 550, chapter





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551, or chapter 849. All fines imposed and collected under this paragraph must be deposited with the Chief Financial Officer to the credit of the General Revenue Fund.

(k) The department shall have full authority and power to make, adopt, amend, or repeal rules relating to gaming operations, to enforce and to carry out the provisions of chapters 550, 551, and 849, and to regulate authorized gaming activities in the state, including rules that specify the types of games that are authorized, the times during which such games are authorized, and the places at which such games are authorized. The commission shall establish procedures to scientifically test slot machines and other authorized gaming equipment.

(l) The department shall provide advisory opinions when requested by any law enforcement official, state attorney, or entity licensed by the department relating to the application of state gaming laws with respect to whether a particular act or device constitutes legal or illegal gambling under state laws and administrative rules adopted thereunder. A written record shall be retained of all such opinions issued by the department, which shall be sequentially numbered, dated, and indexed by subject matter. Any person or entity acting in good faith upon an advisory opinion that such person or entity requested and received is not subject to any criminal penalty provided for under state law for illegal gambling. The opinion, until amended or revoked, is binding on any person or entity who sought the opinion, or with reference to whom the opinion was sought, unless material facts were omitted or misstated in the request for the advisory opinion. The department may adopt rules



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185 regarding the process for securing an advisory opinion and may  
186 require in those rules the submission of any potential gaming  
187 apparatus for testing by a licensed testing laboratory to prove  
188 or disprove the compliance of the apparatus with state law  
189 before the issuance of an opinion by the department.

190 (m) The department may employ law enforcement officers as  
191 defined in s. 943.10 within the Division of Enforcement to  
192 enforce any statute or law of this state related to gambling, to  
193 enforce any other criminal law, or to conduct any criminal  
194 investigation.

195 1. In order to be a law enforcement officer for the  
196 department, a person must meet the minimum qualifications for a  
197 law enforcement officer under s. 943.13 and must be certified  
198 for employment or appointment as an officer by the Department of  
199 Law Enforcement under s. 943.1395. Upon certification, each law  
200 enforcement officer is subject to, and has the authority  
201 provided for law enforcement officers generally in, chapter 901  
202 and has statewide jurisdiction. Each officer also has full law  
203 enforcement powers.

204 2. The department may also appoint part-time, reserve, or  
205 auxiliary law enforcement officers pursuant to chapter 943.

206 3. A law enforcement officer of the department, upon  
207 certification pursuant to s. 943.1395, has the same right and  
208 authority to carry arms as do the sheriffs of this state.

209 4. A law enforcement officer in this state who is certified  
210 pursuant to chapter 943 has the same authority as a law  
211 enforcement officer designated in this section to enforce the  
212 laws of this state described in this paragraph.

213 (n) The department shall contract with the Department of



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Revenue, through an interagency agreement, to perform the tax collection and financial audit services for the taxes required to be collected by entities licensed or regulated by chapter 550, chapter 551, or chapter 849. The interagency agreement must also allow the Department of Revenue to assist in any financial investigation of a licensee or an application for a license by the Department of Gaming or a law enforcement agency.

(5) LICENSING.—The department may:

(a) Close and terminate deficient license application files 2 years after the department notifies the applicant of the deficiency; and

(b) Approve gaming-related licenses that meet all statutory and rule requirements for licensure.

Section 2. (1) All of the statutory powers, duties, and functions, records, personnel, property, and unexpended balances of appropriations, allocations, or others funds for the administration of chapter 550, Florida Statutes, relating to pari-mutuel wagering; chapter 551, Florida Statutes, relating to slot machine gaming; and s. 849.086, Florida Statutes, relating to cardroom operations, shall be transferred by a type two transfer, as defined in s. 20.06(2), Florida Statutes, from the Division of Pari-mutuel Wagering within the Department of Business and Professional Regulation to the Department of Gaming.

(2) The transfer of regulatory authority under chapter 550, Florida Statutes; chapter 551, Florida Statutes; and s. 849.086, Florida Statutes, provided by this section does not affect the validity of any judicial or administrative action pending as of 11:59 p.m. on the day before the effective date of this section



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to which the Division of Pari-mutuel Wagering is at that time a party, and the Department of Gaming shall be substituted as a party in interest in any such action.

(3) All lawful orders issued by the Division of Pari-mutuel Wagering implementing, enforcing, or otherwise in regard to any provision of chapter 550, Florida Statutes; chapter 551, Florida Statutes; and s. 849.086, Florida Statutes, issued before the effective date of this section shall remain in effect and be enforceable after the effective date of this section unless thereafter modified in accordance with law.

(4) The rules of the Division of Pari-mutuel Wagering relating to the implementation of chapter 550, Florida Statutes; chapter 551, Florida Statutes; and s. 849.086, Florida Statutes, which were in effect at 11:59 p.m. on the day before the effective date of this section shall become the rules of the Department of Gaming and shall remain in effect until amended or repealed in the manner provided by law.

(5) Notwithstanding the transfer of regulatory authority under chapter 550, Florida Statutes; chapter 551, Florida Statutes; and s. 849.086, Florida Statutes, provided by this section, persons and entities holding in good standing any license or permit under chapter 550, Florida Statutes; chapter 551, Florida Statutes; and s. 849.086, Florida Statutes, as of 11:59 p.m. on the day before the effective date of this section shall, as of the effective date of this section, be deemed to hold in good standing a license or permit in the same capacity as that for which the license or permit was formerly issued.

(6) Notwithstanding the transfer of regulatory authority under chapter 550, Florida Statutes; chapter 551, Florida



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Statutes; and s. 849.086, Florida Statutes, provided by this  
section, persons and entities holding in good standing any  
certification under chapter 550, Florida Statutes; chapter 551,  
Florida Statutes; and s. 849.086, Florida Statutes, as of 11:59  
p.m. on the day before the effective date of this section shall,  
as of the effective date of this section, be deemed to be  
certified in the same capacity in which they were formerly  
certified.

(7) This section is effective October 1, 2016.

Section 3. Subsection (2) of section 20.165, Florida  
Statutes, is amended to read:

20.165 Department of Business and Professional Regulation.—  
There is created a Department of Business and Professional  
Regulation.

(2) The following divisions of the Department of Business  
and Professional Regulation are established:

(a) Division of Administration.

(b) Division of Alcoholic Beverages and Tobacco.

(c) Division of Certified Public Accounting.

1. The director of the division shall be appointed by the  
secretary of the department, subject to approval by a majority  
of the Board of Accountancy.

2. The offices of the division shall be located in  
Gainesville.

(d) Division of Drugs, Devices, and Cosmetics.

(e) Division of Florida Condominiums, Timeshares, and  
Mobile Homes.

(f) Division of Hotels and Restaurants.

~~(g) Division of Pari-mutuel Wagering.~~



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(g)~~(h)~~ Division of Professions.

(h)~~(i)~~ Division of Real Estate.

1. The director of the division shall be appointed by the secretary of the department, subject to approval by a majority of the Florida Real Estate Commission.

2. The offices of the division shall be located in Orlando.

(i)~~(j)~~ Division of Regulation.

(j)~~(k)~~ Division of Technology.

(k)~~(l)~~ Division of Service Operations.

Section 4. Subsection (4) of section 120.80, Florida Statutes, is amended, and subsection (19) is added to that section, to read:

120.80 Exceptions and special requirements; agencies.—

(4) DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION.—

~~(a) Business regulation.—The Division of Pari-mutuel Wagering is exempt from the hearing and notice requirements of ss. 120.569 and 120.57(1)(a), but only for stewards, judges, and boards of judges when the hearing is to be held for the purpose of the imposition of fines or suspensions as provided by rules of the Division of Pari-mutuel Wagering, but not for revocations, and only upon violations of subparagraphs 1.-6. The Division of Pari-mutuel Wagering shall adopt rules establishing alternative procedures, including a hearing upon reasonable notice, for the following violations:~~

~~1. Horse riding, harness riding, greyhound interference, and jai alai game actions in violation of chapter 550.~~

~~2. Application and usage of drugs and medication to horses, greyhounds, and jai alai players in violation of chapter 550.~~

~~3. Maintaining or possessing any device which could be used~~



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~~for the injection or other infusion of a prohibited drug to  
horses, greyhounds, and jai alai players in violation of chapter  
550.~~

~~4. Suspensions under reciprocity agreements between the  
Division of Pari-mutuel Wagering and regulatory agencies of  
other states.~~

~~5. Assault or other crimes of violence on premises licensed  
for pari-mutuel wagering.~~

~~6. Prearranging the outcome of any race or game.~~

~~(b) Professional regulation.~~ Notwithstanding s.

120.57(1)(a), formal hearings may not be conducted by the  
Secretary of Business and Professional Regulation or a board or  
member of a board within the Department of Business and  
Professional Regulation for matters relating to the regulation  
of professions, as defined by chapter 455.

(19) DEPARTMENT OF GAMING.—The department is exempt from  
the hearing and notice requirements of ss. 120.569 and  
120.57(1)(a), but only for stewards, judges, and boards of  
judges when the hearing is to be held for the purpose of the  
imposition of fines or suspensions as provided by rules of the  
Department of Gaming, but not for revocations, and only upon  
violations of paragraphs (a) through (f). The Department of  
Gaming shall adopt rules establishing alternative procedures,  
including a hearing upon reasonable notice, for the following  
violations:

(a) Horse riding, harness riding, greyhound interference,  
and jai alai game actions in violation of chapter 550.

(b) Application and usage of drugs and medication to  
horses, greyhounds, and jai alai players in violation of chapter



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(c) Maintaining or possessing any device which could be used for the injection or other infusion of a prohibited drug to horses, greyhounds, and jai alai players in violation of chapter 550.

(d) Suspensions under reciprocity agreements between the Department of Gaming and regulatory agencies of other states.

(e) Assault or other crimes of violence on premises licensed for pari-mutuel wagering.

(f) Prearranging the outcome of any race or game.

Section 5. Subsections (5), (6), and (7) and present subsection (11) of section 550.002, Florida Statutes, are amended, present subsections (8) through (37) of that section are redesignated as subsections (7) through (36), respectively, and a new subsection (37) is added to that section, to read:

550.002 Definitions.—As used in this chapter, the term:

(5) "Current meet" or "current race meet" means the conduct of racing or games pursuant to a current year's operating license issued by the department ~~division~~.

(6) "Department" means the Department of Gaming ~~Business and Professional Regulation~~.

~~(7) "Division" means the Division of Pari-mutuel Wagering within the Department of Business and Professional Regulation.~~

(10) (a) (11) "Full schedule of live racing or games" means:

1. For a greyhound racing permitholder or jai alai permitholder, the conduct of a combination of at least 100 live evening or matinee performances during the preceding year. ~~for a permitholder who has a converted permit or filed an application on or before June 1, 1990, for a converted permit,~~





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~~the conduct of a combination of at least 100 live evening and  
matinee wagering performances during either of the 2 preceding  
years.~~

2. For a jai alai permitholder ~~that~~ who does not operate slot machines in its pari-mutuel facility, ~~who~~ has conducted at least 100 live performances per year for at least 10 years after December 31, 1992, and has had ~~whose~~ handle on live jai alai games conducted at its pari-mutuel facility which was ~~has been~~ less than \$4 million per state fiscal year for at least 2 consecutive years after June 30, 1992, the conduct of ~~a combination of~~ at least 40 live evening or matinee performances during the preceding year.

3. For a jai alai permitholder ~~that~~ who operates slot machines in its pari-mutuel facility, the conduct of ~~a combination of~~ at least 150 performances during the preceding year.

4. For a summer jai alai permitholder, the conduct of at least 58 live performances during the preceding year, unless the permitholder meets the requirements of subparagraph 2.

5. For a harness horse racing permitholder, the conduct of at least 100 live regular wagering performances during the preceding year.

6. For a quarter horse racing permitholder at its facility, unless an alternative schedule of at least 20 live regular wagering performances each year is agreed upon by the permitholder and either the Florida Quarter Horse Racing Association or the horsemen ~~horsemen's~~ association representing the majority of the quarter horse owners and trainers at the facility and filed ~~with the division along~~ with its annual



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operating license ~~date~~ application: ~~7~~

a. In the 2010-2011 fiscal year, the conduct of at least 20 regular wagering performances. ~~7~~

b. In the 2011-2012 and 2012-2013 fiscal years, the conduct of at least 30 live regular wagering performances. ~~7~~ and

c. For every fiscal year after the 2012-2013 fiscal year, the conduct of at least 40 live regular wagering performances. ~~7~~

7. For a quarter horse racing permitholder leasing another licensed racetrack, the conduct of 160 events at the leased facility during the preceding year. ~~7~~ and

8. For a thoroughbred racing permitholder, the conduct of at least 40 live regular wagering performances during the preceding year.

~~(b) For a permitholder which is restricted by statute to certain operating periods within the year when other members of its same class of permit are authorized to operate throughout the year, the specified number of live performances which constitute a full schedule of live racing or games shall be adjusted pro rata in accordance with the relationship between its authorized operating period and the full calendar year and the resulting specified number of live performances shall constitute the full schedule of live games for such permitholder and all other permitholders of the same class within 100 air miles of such permitholder. A live performance must consist of no fewer than eight races or games conducted live for each of a minimum of three performances each week at the permitholder's licensed facility under a single admission charge.~~

(37) "Video race system" or "video race" means a form of pari-mutuel wagering based on video signals of previously



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conducted in-state or out-of-state thoroughbred races which are sent from an in-state server that is operated by a licensed totalizator company and displayed at individual wagering terminals.

Section 6. Section 550.01215, Florida Statutes, is amended to read:

550.01215 License application; periods of operation; bond, conversion of permit.—

(1) Each permitholder shall annually, during the period between December 15 and January 4, file in writing with the department ~~division~~ its application for an operating a license to conduct pari-mutuel wagering during the next fiscal year, including intertrack and simulcast race wagering for greyhound permitholders, jai alai permitholders, harness horse racing permitholders, and quarter horse racing permitholders that do not ~~to~~ conduct live performances ~~during the next state fiscal year~~. Each application for live performances must ~~shall~~ specify the number, dates, and starting times of all live performances that ~~which~~ the permitholder intends to conduct. It must ~~shall~~ also specify which performances will be conducted as charity or scholarship performances.

(a) ~~In addition,~~ Each application for an operating a license also must ~~shall~~ include:—

1. For each permitholder that ~~which~~ elects to accept wagers on broadcast events, the dates for all such events.

2. For each permitholder that elects to operate a cardroom, the dates and periods of operation the permitholder intends to operate the cardroom. ~~or,~~

3. For each thoroughbred racing permitholder that ~~which~~



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elects to receive or rebroadcast out-of-state races after 7 p.m., the dates for all performances which the permitholder intends to conduct.

(b) A greyhound racing permitholder that conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the 1996-1997 state fiscal year, or that converted its permit to a permit to conduct greyhound racing after that fiscal year, may specify in its application for an operating license that it does not intend to conduct live racing, or that it intends to conduct less than a full schedule of live racing, in the next state fiscal year. A greyhound racing permitholder may receive an operating license to conduct pari-mutuel wagering activities at another permitholder's greyhound racing facility pursuant to s. 550.475.

(c) Permitholders ~~may~~ shall be entitled to amend their applications through February 28.

(2) After the first license has been issued to a permitholder, all subsequent annual applications for a license shall be accompanied by proof, in such form as the department ~~division~~ may by rule require, that the permitholder continues to possess the qualifications prescribed by this chapter, and that the permit has not been disapproved at a later election.

(3) The department ~~division~~ shall issue each license no later than March 15. Each permitholder shall operate all performances at the date and time specified on its license. The department ~~division~~ shall have the authority to approve minor changes in racing dates after a license has been issued. The department ~~division~~ may approve changes in racing dates after a license has been issued when there is no objection from any



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operating permitholder located within 50 miles of the permitholder requesting the changes in operating dates. In the event of an objection, the department ~~division~~ shall approve or disapprove the change in operating dates based upon the impact on operating permitholders located within 50 miles of the permitholder requesting the change in operating dates. In making the determination to change racing dates, the department ~~division~~ shall take into consideration the impact of such changes on state revenues. Notwithstanding any other provision of law, and for the 2016-2017 fiscal year only, the department may approve changes in racing dates for greyhound racing permitholders if the request for such changes is received before August 31, 2016.

(4) ~~If In the event that~~ a permitholder fails to operate all performances specified on its license at the date and time specified, the department ~~division~~ shall hold a hearing to determine whether to fine or suspend the permitholder's license, unless such failure was the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control. Financial hardship to the permitholder does shall not, in and of itself, constitute just cause for failure to operate all performances on the dates and at the times specified.

(5) ~~If In the event that~~ performances licensed to be operated by a permitholder are vacated, abandoned, or will not be used for any reason, any permitholder shall be entitled, pursuant to rules adopted by the department ~~division~~, to apply to conduct performances on the dates for which the performances have been abandoned. The department ~~division~~ shall issue an



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amended license for all such replacement performances ~~that~~ ~~which~~ have been requested in compliance with the provisions of this chapter and department ~~division~~ rules.

(6) A summer jai alai permitholder may apply for an operating license to operate a jai alai fronton only during the summer season beginning May 1 and ending November 30 of each year on such dates as may be selected by the permitholder. Such permitholder is subject to the same taxes, rules, and provisions of this chapter which apply to the operation of winter jai alai frontons. A summer jai alai permitholder is not eligible for licensure to conduct a cardroom or a slot machine facility. A summer jai alai permitholder and a winter jai alai permitholder may not operate on the same days or in competition with each other. This subsection does not prevent a summer jai alai licensee from leasing the facilities of a winter jai alai licensee for the operation of a summer meet ~~Any permit which was converted from a jai alai permit to a greyhound permit may be converted to a jai alai permit at any time if the permitholder never conducted greyhound racing or if the permitholder has not conducted greyhound racing for a period of 12 consecutive months.~~

Section 7. Section 550.0251, Florida Statutes, is amended to read:

550.0251 The powers and duties of the ~~Division of Pari-mutuel Wagering of the~~ Department of Gaming Business and Professional Regulation.—The department ~~division~~ shall administer this chapter and regulate the pari-mutuel industry under this chapter and the rules adopted pursuant thereto, and:

(1) The department ~~division~~ shall make an annual report to



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the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report shall include, at a minimum:

(a) Recent events in the gaming industry, including pending litigation; pending permitholder, facility, cardroom, slot, or operating license applications; and new and pending rules.

(b) Actions of the department relating to the implementation and administration of this chapter.

(c) The state revenues and expenses associated with each form of authorized gaming. Revenues and expenses associated with pari-mutuel wagering must be further delineated by the class of license.

(d) The performance of each pari-mutuel wagering licensee, cardroom licensee, and slot machine licensee.

(e) A summary of disciplinary actions taken by the department.

(f) Any suggestions to more effectively achieve ~~showing its own actions, receipts derived under the provisions of this chapter, the practical effects of the application of this chapter, and any suggestions it may approve for the more effectual accomplishments of~~ the purposes of this chapter.

(2) The department ~~division~~ shall require an oath on application documents as required by rule, which oath must state that the information contained in the document is true and complete.

(3) The department ~~division~~ shall adopt reasonable rules for the control, supervision, and direction of all applicants, permittees, and licensees and for the holding, conducting, and operating of all racetracks, race meets, and races held in this



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state. Such rules must be uniform in their application and effect, and the duty of exercising this control and power is made mandatory upon the department ~~division~~.

(4) The department ~~division~~ may take testimony concerning any matter within its jurisdiction and issue summons and subpoenas for any witness and subpoenas duces tecum in connection with any matter within the jurisdiction of the department ~~division~~ under its seal and signed by the executive director.

(5) The department ~~division~~ may adopt rules establishing procedures for testing occupational licenseholders officiating at or participating in any race or game at any pari-mutuel facility under the jurisdiction of the department ~~division~~ for a controlled substance or alcohol and may prescribe procedural matters not in conflict with s. 120.80(19) ~~s. 120.80(4)(a)~~.

(6) In addition to the power to exclude certain persons from any pari-mutuel facility in this state, the department ~~division~~ may exclude any person from any and all pari-mutuel facilities in this state for conduct that would constitute, if the person were a licensee, a violation of this chapter or the rules of the department ~~division~~. The department ~~division~~ may exclude from any pari-mutuel facility within this state any person who has been ejected from a pari-mutuel facility in this state or who has been excluded from any pari-mutuel facility in another state by the governmental department, agency, commission, or authority exercising regulatory jurisdiction over pari-mutuel facilities in such other state. The department ~~division~~ may authorize any person who has been ejected or excluded from pari-mutuel facilities in this state or another





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state to attend the pari-mutuel facilities in this state upon a finding that the attendance of such person at pari-mutuel facilities would not be adverse to the public interest or to the integrity of the sport or industry; however, this subsection does ~~shall~~ not ~~be construed to~~ abrogate the common-law right of a pari-mutuel permitholder to exclude absolutely a patron in this state.

(7) The department ~~division~~ may oversee the making of, and distribution from, all pari-mutuel pools.

(8) The department may collect taxes and require compliance with reporting requirements for financial information as authorized by this chapter. In addition, the ~~secretary of the~~ department may require permitholders conducting pari-mutuel operations within the state to remit taxes, including fees, by electronic funds transfer if the taxes and fees amounted to \$50,000 or more in the prior reporting year.

(9) The department ~~division~~ may conduct investigations in enforcing this chapter, except that all information obtained pursuant to an investigation by the department ~~division~~ for an alleged violation of this chapter or rules of the department ~~division~~ is exempt from s. 119.07(1) and from s. 24(a), Art. I of the State Constitution until an administrative complaint is issued or the investigation is closed or ceases to be active. This subsection does not prohibit the department ~~division~~ from providing such information to any law enforcement agency or to any other regulatory agency. For the purposes of this subsection, an investigation is considered to be active while it is being conducted with reasonable dispatch and with a reasonable, good faith belief that it could lead to an



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administrative, civil, or criminal action by the department  
~~division~~ or another administrative or law enforcement agency.  
Except for active criminal intelligence or criminal  
investigative information, as defined in s. 119.011, and any  
other information that, if disclosed, would jeopardize the  
safety of an individual, all information, records, and  
transcriptions become public when the investigation is closed or  
ceases to be active.

(10) The department ~~division~~ may impose an administrative  
fine for a violation under this chapter of not more than \$1,000  
for each count or separate offense, except as otherwise provided  
in this chapter, and may suspend or revoke a permit, a pari-  
mutuel license, or an occupational license for a violation under  
this chapter. All fines imposed and collected under this  
subsection must be deposited with the Chief Financial Officer to  
the credit of the General Revenue Fund.

(11) The department ~~division~~ shall supervise and regulate  
the welfare of racing animals at pari-mutuel facilities.

(12) The department ~~may division shall have full authority~~  
~~and power to make, adopt, amend, or repeal~~ rules relating to  
cardroom operations, ~~to~~ enforce and ~~to~~ carry out the provisions  
of s. 849.086, and ~~to~~ regulate the authorized cardroom  
activities in the state.

(13) The department ~~may division shall have the authority~~  
~~to~~ suspend a permitholder's permit or license, if such  
permitholder is operating a cardroom facility and such  
permitholder's cardroom license has been suspended or revoked  
pursuant to s. 849.086.

Section 8. Section 550.054, Florida Statutes, is amended to



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read:

550.054 Application for permit to conduct pari-mutuel  
wagering.—

(1) Any person who possesses the qualifications prescribed  
in this chapter may apply to the department ~~division~~ for a  
permit to conduct pari-mutuel operations under this chapter.  
Applications for a pari-mutuel permit are exempt from the 90-day  
licensing requirement of s. 120.60. Within 120 days after  
receipt of a complete application, the department ~~division~~ shall  
grant or deny the permit. A completed application that is not  
acted upon within 120 days after receipt is deemed approved, and  
the department ~~division~~ shall grant the permit.

(2) Upon each application filed and approved, a permit  
shall be issued to the applicant setting forth the name of the  
permitholder, the location of the pari-mutuel facility, the type  
of pari-mutuel activity desired to be conducted, and a statement  
showing qualifications of the applicant to conduct pari-mutuel  
performances under this chapter; however, a permit is  
ineffectual to authorize any pari-mutuel performances until  
approved by a majority of the electors participating in a  
ratification election in the county in which the applicant  
proposes to conduct pari-mutuel wagering activities. In  
addition, an application may not be considered, nor may a permit  
be issued by the department ~~division~~ or be voted upon in any  
county, to conduct horseraces, harness horse races, or dograces  
at a location within 100 miles of an existing pari-mutuel  
facility, or for jai alai within 50 miles of an existing pari-  
mutuel facility; this distance shall be measured on a straight  
line from the nearest property line of one pari-mutuel facility



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to the nearest property line of the other facility.

(3) The department ~~division~~ shall require that each applicant submit an application setting forth:

(a) The full name of the applicant.

(b) If a corporation, the name of the state in which incorporated and the names and addresses of the officers, directors, and shareholders holding 5 percent or more equity or, if a business entity other than a corporation, the names and addresses of the principals, partners, or shareholders holding 5 percent or more equity.

(c) The names and addresses of the ultimate equitable owners for a corporation or other business entity, if different from those provided under paragraph (b), unless the securities of the corporation or entity are registered pursuant to s. 12 of the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a-78kk; and if such corporation or entity files with the United States Securities and Exchange Commission the reports required by s. 13 of that act or if the securities of the corporation or entity are regularly traded on an established securities market in the United States.

(d) The exact location where the applicant will conduct pari-mutuel performances.

(e) Whether the pari-mutuel facility is owned or leased and, if leased, the name and residence of the fee owner or, if a corporation, the names and addresses of the directors and stockholders thereof. However, this chapter does not prevent a person from applying to the department ~~division~~ for a permit to conduct pari-mutuel operations, regardless of whether the pari-mutuel facility has been constructed or not, and having an



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election held in any county at the same time that elections are held for the ratification of any permit in that county.

(f) A statement of the assets and liabilities of the applicant.

(g) The names and addresses of any mortgagee of any pari-mutuel facility and any financial agreement between the parties. The department ~~division~~ may require the names and addresses of the officers and directors of the mortgagee, and of those stockholders who hold more than 10 percent of the stock of the mortgagee.

(h) A business plan for the first year of operation.

(i) For each individual listed in the application as an owner, partner, officer, or director, a complete set of fingerprints that has been taken by an authorized law enforcement officer. These sets of fingerprints must be submitted to the Federal Bureau of Investigation for processing. Applicants who are foreign nationals shall submit such documents as necessary to allow the department ~~division~~ to conduct criminal history records checks in the applicant's home country. The applicant must pay the cost of processing. The department ~~division~~ may charge a \$2 handling fee for each set of fingerprint records.

(j) The type of pari-mutuel activity to be conducted and the desired period of operation.

(k) Other information the department ~~division~~ requires.

(4) The department ~~division~~ shall require each applicant to deposit with the board of county commissioners of the county in which the election is to be held, a sufficient sum, in currency or by check certified by a bank licensed to do business in the



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state to pay the expenses of holding the election provided in s. 550.0651.

(5) Upon receiving an application and any amendments properly made thereto, the department ~~division~~ shall further investigate the matters contained in the application. If the applicant meets all requirements, conditions, and qualifications set forth in this chapter and the rules of the department ~~division~~, the department ~~division~~ shall grant the permit.

(6) After initial approval of the permit and the source of financing, the terms and parties of any subsequent refinancing must be disclosed by the applicant or the permitholder to the department ~~division~~.

(7) If the department ~~division~~ refuses to grant the permit, the money deposited with the board of county commissioners for holding the election must be refunded to the applicant. If the department ~~division~~ grants the permit applied for, the board of county commissioners shall order an election in the county to decide whether the permit will be approved, as provided in s. 550.0651.

(8) (a) The department ~~division~~ may charge the applicant for reasonable, anticipated costs incurred by the department ~~division~~ in determining the eligibility of any person or entity specified in s. 550.1815(1)(a) to hold any pari-mutuel permit, against such person or entity.

(b) The department ~~division~~ may, by rule, determine the manner of paying its anticipated costs associated with determination of eligibility and the procedure for filing applications for determination of eligibility.

(c) The department ~~division~~ shall furnish to the applicant



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an itemized statement of actual costs incurred during the investigation to determine eligibility.

(d) If unused funds remain at the conclusion of such investigation, they must be returned to the applicant within 60 days after the determination of eligibility has been made.

(e) If the actual costs of investigation exceed anticipated costs, the department ~~division~~ shall assess the applicant the amount necessary to recover all actual costs.

(9)(a) After a permit has been granted by the department ~~division~~ and has been ratified and approved by the majority of the electors participating in the election in the county designated in the permit, the department ~~division~~ shall grant to the lawful permitholder, subject to the conditions of this chapter, a license to conduct pari-mutuel operations under this chapter, and, except as provided in s. 550.5251, the department ~~division~~ shall fix annually the time, place, and number of days during which pari-mutuel operations may be conducted by the permitholder at the location fixed in the permit and ratified in the election. After the first license has been issued to the holder of a ratified permit for racing in any county, all subsequent annual applications for a license by that permitholder must be accompanied by proof, in such form as the department ~~division~~ requires, that the ratified permitholder still possesses all the qualifications prescribed by this chapter and that the permit has not been recalled at a later election held in the county.

(b) The department ~~division~~ may revoke or suspend any permit or license issued under this chapter upon a ~~the~~ willful violation by the permitholder or licensee ~~of any provision of~~



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823 this chapter or rules of any rule adopted pursuant thereto under  
824 this chapter. With the exception of the revocation of permits  
825 required in paragraphs (c), (d), (f), and (g), In lieu of  
826 suspending or revoking a permit or license, the department  
827 division may, in lieu of suspending or revoking a permit or  
828 license, impose a civil penalty against the permitholder or  
829 licensee for a violation of this chapter or rules adopted  
830 pursuant thereto any rule adopted by the division. The penalty  
831 so imposed may not exceed \$1,000 for each count or separate  
832 offense. All penalties imposed and collected must be deposited  
833 with the Chief Financial Officer to the credit of the General  
834 Revenue Fund.

835 (c) Unless a failure to obtain an operating license and to  
836 operate was the direct result of fire, strike, war, or other  
837 disaster or event beyond the permitholder's control, the  
838 department shall revoke the permit of any permitholder that has  
839 not obtained an operating license in accordance with s.  
840 550.01215 for a period of more than 24 consecutive months after  
841 June 30, 2012. The department shall revoke the permit upon  
842 adequate notice to the permitholder. Financial hardship to the  
843 permitholder does not, in and of itself, constitute just cause  
844 for failure to operate.

845 (d) The department shall revoke the permit of any  
846 permitholder that fails to make payments pursuant to s.  
847 550.0951(5) for more than 24 consecutive months unless such  
848 failure to pay tax on handle was the direct result of fire,  
849 strike, war, or other disaster or event beyond the  
850 permitholder's control. Financial hardship to the permitholder  
851 does not, in and of itself, constitute just cause for failure to





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852 pay tax on handle.

853 (e) Notwithstanding any other provision of law, a new  
854 permit to conduct pari-mutuel wagering may not be approved or  
855 issued after July 1, 2016.

856 (f) A permit revoked under this subsection is void and may  
857 not be reissued.

858 (g) A permitholder may apply to the department to place the  
859 permit into inactive status for a period of 12 months pursuant  
860 to the rules adopted under this chapter. The department, upon  
861 good cause shown by the permitholder, may renew inactive status  
862 for a period of up to 12 months, but a permit may not be in  
863 inactive status for a period of more than 24 consecutive months.  
864 Holders of permits in inactive status are not eligible for  
865 licensure for pari-mutuel wagering, slot machines, or cardrooms.

866 (10) If a permitholder has failed to complete construction  
867 of at least 50 percent of the facilities necessary to conduct  
868 pari-mutuel operations within 12 months after approval by the  
869 voters of the permit, the department ~~division~~ shall revoke the  
870 permit upon adequate notice to the permitholder. However, the  
871 department ~~division~~, upon good cause shown by the permitholder,  
872 may grant one extension of up to 12 months.

873 (11) (a) A permit granted under this chapter may not be  
874 transferred or assigned except upon written approval by the  
875 department ~~division~~ pursuant to s. 550.1815, ~~except that the~~  
876 ~~holder of any permit that has been converted to a jai alai~~  
877 ~~permit may lease or build anywhere within the county in which~~  
878 ~~its permit is located.~~

879 (b) If a permit to conduct pari-mutuel wagering is held by  
880 a corporation or business entity other than an individual, the



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transfer of 10 percent or more of the stock or other evidence of ownership or equity in the permitholder may not be made without the prior approval of the transferee by the department division pursuant to s. 550.1815.

(12) Changes in ownership or interest of a pari-mutuel permit of 5 percent or more of the stock or other evidence of ownership or equity in the permitholder must ~~shall~~ be approved by the department before division prior to such change, unless the owner is an existing owner of that permit who was previously approved by the department division. Changes in ownership or interest of a pari-mutuel permit of less than 5 percent must ~~shall~~ be reported to the department division within 20 days of the change. The department division may then conduct an investigation to ensure that the permit is properly updated to show the change in ownership or interest.

(13) ~~(a)~~ Notwithstanding any provision ~~provisions~~ of this chapter or chapter 551, a pari-mutuel no thoroughbred horse racing permit or license issued under this chapter or chapter 551 may not ~~shall~~ be transferred, or reissued when such reissuance is in the nature of a transfer so as to permit or authorize a licensee to change the location of a pari-mutuel facility, cardroom, or slot machine facility. thoroughbred horse racetrack except upon proof in such form as the division may prescribe that a referendum election has been held:

~~1. If the proposed new location is within the same county as the already licensed location, in the county where the licensee desires to conduct the race meeting and that a majority of the electors voting on that question in such election voted in favor of the transfer of such license.~~



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~~2. If the proposed new location is not within the same county as the already licensed location, in the county where the licensee desires to conduct the race meeting and in the county where the licensee is already licensed to conduct the race meeting and that a majority of the electors voting on that question in each such election voted in favor of the transfer of such license.~~

~~(b) Each referendum held under the provisions of this subsection shall be held in accordance with the electoral procedures for ratification of permits, as provided in s. 550.0651. The expense of each such referendum shall be borne by the licensee requesting the transfer.~~

~~(14) (a) Notwithstanding any other provision of law, a pari-mutuel facility, cardroom, or slot machine facility may not be relocated except as provided in paragraph (b), and a pari-mutuel permit may not be converted to another class of permit. Any holder of a permit to conduct jai alai may apply to the division to convert such permit to a permit to conduct greyhound racing in lieu of jai alai if:~~

~~1. Such permit is located in a county in which the division has issued only two pari-mutuel permits pursuant to this section;~~

~~2. Such permit was not previously converted from any other class of permit; and~~

~~3. The holder of the permit has not conducted jai alai games during a period of 10 years immediately preceding his or her application for conversion under this subsection.~~

~~(b) Upon application from the holder of a permit to conduct greyhound racing which was converted from a permit to conduct~~



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jai alai pursuant to former s. 550.054(14), Florida Statutes  
2014, as created by s. 6, chapter 2009-170, Laws of Florida, the  
department may approve the relocation of such permit to another  
location within a 30-mile radius of the location fixed in the  
permit if the application is received by July 31, 2018, the new  
location is within the same county, and the new location is  
approved under the zoning regulations of the county or  
municipality in which the permit is located ~~The division, upon~~  
~~application from the holder of a jai alai permit meeting all~~  
~~conditions of this section, shall convert the permit and shall~~  
~~issue to the permitholder a permit to conduct greyhound racing.~~  
~~A permitholder of a permit converted under this section shall be~~  
~~required to apply for and conduct a full schedule of live racing~~  
~~each fiscal year to be eligible for any tax credit provided by~~  
~~this chapter. The holder of a permit converted pursuant to this~~  
~~subsection or any holder of a permit to conduct greyhound racing~~  
~~located in a county in which it is the only permit issued~~  
~~pursuant to this section who operates at a leased facility~~  
~~pursuant to s. 550.475 may move the location for which the~~  
~~permit has been issued to another location within a 30-mile~~  
~~radius of the location fixed in the permit issued in that~~  
~~county, provided the move does not cross the county boundary and~~  
~~such location is approved under the zoning regulations of the~~  
~~county or municipality in which the permit is located, and upon~~  
~~such relocation may use the permit for the conduct of pari-~~  
~~mutuel wagering and the operation of a cardroom. The provisions~~  
~~of s. 550.6305(9) (d) and (f) shall apply to any permit converted~~  
~~under this subsection and shall continue to apply to any permit~~  
~~which was previously included under and subject to such~~



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~~provisions before a conversion pursuant to this section  
occurred.~~

Section 9. Section 550.0555, Florida Statutes, is repealed.

Section 10. Section 550.0745, Florida Statutes, is  
repealed.

Section 11. Section 550.0951, Florida Statutes, is amended  
to read:

550.0951 Payment of daily license fee and taxes;  
penalties.—

(1)~~(a)~~ DAILY LICENSE FEE.—Each person engaged in the  
business of conducting horserace meets ~~race meetings~~ or jai alai  
games under this chapter, hereinafter referred to as the  
“permitholder,” “licensee,” or “permittee,” shall pay ~~to the~~  
~~division, for the use of the division,~~ a daily license fee on  
each live or simulcast pari-mutuel event of \$100 for each  
horserace, and \$80 for each greyhound race, ~~dograce~~ and \$40 for  
each jai alai game, any of which is conducted at a racetrack or  
fronton licensed under this chapter. A ~~In addition to the tax~~  
~~exemption specified in s. 550.09514(1) of \$360,000 or \$500,000~~  
~~per greyhound permitholder per state fiscal year, each greyhound~~  
~~permitholder shall receive in the current state fiscal year a~~  
~~tax credit equal to the number of live greyhound races conducted~~  
~~in the previous state fiscal year times the daily license fee~~  
~~specified for each dograce in this subsection applicable for the~~  
~~previous state fiscal year. This tax credit and the exemption in~~  
~~s. 550.09514(1) shall be applicable to any tax imposed by this~~  
~~chapter or the daily license fees imposed by this chapter except~~  
~~during any charity or scholarship performances conducted~~  
~~pursuant to s. 550.0351. Each horserace permitholder may not be~~



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required to ~~shall~~ pay daily license fees in excess of ~~not to~~  
~~exceed~~ \$500 per day on any simulcast races or games on which  
such permitholder accepts wagers, regardless of the number of  
out-of-state events taken or the number of out-of-state  
locations from which such events are taken. This license fee  
shall be deposited with the Chief Financial Officer to the  
credit of the Pari-mutuel Wagering Trust Fund.

~~(b) Each permitholder that cannot utilize the full amount  
of the exemption of \$360,000 or \$500,000 provided in s.  
550.09514(1) or the daily license fee credit provided in this  
section may, after notifying the division in writing, elect once  
per state fiscal year on a form provided by the division to  
transfer such exemption or credit or any portion thereof to any  
greyhound permitholder which acts as a host track to such  
permitholder for the purpose of intertrack wagering. Once an  
election to transfer such exemption or credit is filed with the  
division, it shall not be rescinded. The division shall  
disapprove the transfer when the amount of the exemption or  
credit or portion thereof is unavailable to the transferring  
permitholder or when the permitholder who is entitled to  
transfer the exemption or credit or who is entitled to receive  
the exemption or credit owes taxes to the state pursuant to a  
deficiency letter or administrative complaint issued by the  
division. Upon approval of the transfer by the division, the  
transferred tax exemption or credit shall be effective for the  
first performance of the next payment period as specified in  
subsection (5). The exemption or credit transferred to such host  
track may be applied by such host track against any taxes  
imposed by this chapter or daily license fees imposed by this~~



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~~chapter. The greyhound permitholder host track to which such exemption or credit is transferred shall reimburse such permitholder the exact monetary value of such transferred exemption or credit as actually applied against the taxes and daily license fees of the host track. The division shall ensure that all transfers of exemption or credit are made in accordance with this subsection and shall have the authority to adopt rules to ensure the implementation of this section.~~

(2) ADMISSION TAX.—

(a) An admission tax equal to 15 percent of the admission charge for entrance to the permitholder's facility and grandstand area, or 10 cents, whichever is greater, is imposed on each person attending a horserace, greyhound race ~~dog race~~, or jai alai game. The permitholder is ~~shall be~~ responsible for collecting the admission tax.

(b) The ~~No~~ admission tax imposed under this chapter and ~~or~~ chapter 212 may not ~~shall~~ be imposed on any free passes or complimentary cards issued to persons for which there is no cost to the person for admission to pari-mutuel events.

(c) A permitholder may issue tax-free passes to its officers, officials, and employees and to ~~or~~ other persons actually engaged in working at the racetrack, including accredited media ~~press~~ representatives such as reporters and editors, and may also issue tax-free passes to other permitholders for the use of their officers and officials. The permitholder shall file with the department ~~division~~ a list of all persons to whom tax-free passes are issued under this paragraph.

(3) TAX ON HANDLE.—Each permitholder shall pay a tax on



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contributions to pari-mutuel pools, the aggregate of which is hereinafter referred to as "handle," on races or games conducted by the permitholder. The tax is imposed daily and is based on the total contributions to all pari-mutuel pools conducted during the daily performance. If a permitholder conducts more than one performance daily, the tax is imposed on each performance separately.

(a) The tax on handle for quarter horse racing is 1.0 percent of the handle.

(b)1. The tax on handle for greyhound racing ~~dogracing~~ is 1.28 ~~5.5~~ percent of the handle, ~~except that for live charity performances held pursuant to s. 550.0351, and for intertrack wagering on such charity performances at a guest greyhound track within the market area of the host, the tax is 7.6 percent of the handle.~~

2. The tax on handle for jai alai is 7.1 percent of the handle.

(c)1. The tax on handle for intertrack wagering is:

a. If the host track is a horse track, 2.0 percent of the handle.

b. If the host track is a harness horse racetrack track, 3.3 percent of the handle.

c. If the host track is a greyhound racing harness track, 1.28 ~~5.5~~ percent of the handle, to be remitted by the guest track. ~~if the host track is a dog track, and~~

d. If the host track is a jai alai fronton, 7.1 percent of the handle ~~if the host track is a jai alai fronton.~~

e. ~~The tax on handle for intertrack wagering is 0.5 percent~~ If the host track and the guest track are thoroughbred





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1084 racing permitholders or if the guest track is located outside  
1085 the market area of a the host track that is not a greyhound  
1086 racing track and within the market area of a thoroughbred racing  
1087 permitholder currently conducting a live race meet, 0.5 percent  
1088 of the handle.

1089 f. The tax on handle For intertrack wagering on  
1090 rebroadcasts of simulcast thoroughbred horseraces, is 2.4  
1091 percent of the handle and 1.5 percent of the handle for  
1092 intertrack wagering on rebroadcasts of simulcast harness  
1093 horseraces, 1.5 percent of the handle.

1094 2. The tax collected under subparagraph 1. shall be  
1095 deposited into the Pari-mutuel Wagering Trust Fund.

1096 3.2. The tax on handle for intertrack wagers accepted by  
1097 any greyhound racing dog track located in an area of the state  
1098 in which there are only three permitholders, all of which are  
1099 greyhound racing permitholders, located in three contiguous  
1100 counties, from any greyhound racing permitholder also located  
1101 within such area or any greyhound racing dog track or jai alai  
1102 fronton located as specified in s. 550.615(7) s. 550.615(6) or  
1103 (9), on races or games received from any jai alai the same class  
1104 of permitholder located within the same market area is 3.9  
1105 percent of the handle if the host facility is a greyhound racing  
1106 permitholder. and, If the host facility is a jai alai  
1107 permitholder, the tax is rate shall be 6.1 percent of the handle  
1108 until except that it shall be 2.3 percent on handle at such time  
1109 as the total tax on intertrack handle paid to the department  
1110 division by the permitholder during the current state fiscal  
1111 year exceeds the total tax on intertrack handle paid to the  
1112 department division by the permitholder during the 1992-1993



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state fiscal year, in which case the tax is 2.3 percent of the handle.

(d) Notwithstanding any other provision of this chapter, in order to protect the Florida jai alai industry, effective July 1, 2000, a jai alai permitholder may not be taxed on live handle at a rate higher than 2 percent.

(4) BREAKS TAX.—Effective October 1, 1996, each permitholder conducting jai alai performances shall pay a tax equal to the breaks. As used in this subsection, the term "breaks" means the money that remains in each pari-mutuel pool after funds are ~~The "breaks" represents that portion of each pari-mutuel pool which is not~~ redistributed to the contributors and commissions are ~~or~~ withheld by the permitholder ~~as~~ ~~commission.~~

(5) VIDEO RACE TERMINALS; TAX AND FEE.—

(a) Each permitholder under this chapter which conducts play on video race terminals pursuant to s. 551.1041 shall pay a tax equal to 2 percent of the handle from the video race terminals located at its facility.

(b) Upon authorization to conduct play on video race terminals pursuant to s. 551.1041, and annually thereafter on the anniversary date of the authorization, the licensee shall pay a \$50,000 fee to the department. The fee shall be deposited into the Pari-mutuel Wagering Trust Fund to be used by the Department of Gaming and the Department of Law Enforcement for regulation of video race, enforcement of video race provisions, and related investigations.

(6) ~~(5)~~ PAYMENT AND DISPOSITION OF FEES AND TAXES.—Payments imposed by this section shall be paid to the department



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~~division~~. The department ~~division~~ shall deposit such payments  
~~these sums~~ with the Chief Financial Officer, to the credit of  
the Pari-mutuel Wagering Trust Fund, hereby established. The  
permitholder shall remit to the department ~~division~~ payment for  
the daily license fee, the admission tax, the tax on handle, and  
the breaks tax. Such payments must ~~shall~~ be remitted by 3 p.m.  
on Wednesday of each week for taxes imposed and collected for  
the preceding week ending on Sunday. Beginning on July 1, 2012,  
such payments must ~~shall~~ be remitted by 3 p.m. on the 5th day of  
each calendar month for taxes imposed and collected for the  
preceding calendar month. If the 5th day of the calendar month  
falls on a weekend, payments must ~~shall~~ be remitted by 3 p.m.  
the first Monday following the weekend. Permitholders shall file  
a report under oath by the 5th day of each calendar month for  
all taxes remitted during the preceding calendar month. Such  
payments must ~~shall~~ be accompanied by a report under oath  
showing the total of all admissions, the pari-mutuel wagering  
activities for the preceding calendar month, and any ~~such~~ other  
information ~~as may be~~ prescribed by the department ~~division~~.

(7) ~~(6)~~ PENALTIES.—

(a) The failure of any permitholder to make payments as  
prescribed in subsection (6) ~~(5)~~ is a violation of this section,  
and the department ~~permitholder~~ ~~may be subjected by the division~~  
may impose ~~to~~ a civil penalty against the permitholder of up to  
\$1,000 for each day the tax payment is not remitted. All  
penalties imposed and collected shall be deposited in the  
General Revenue Fund. If a permitholder fails to pay penalties  
imposed by order of the department ~~division~~ under this  
subsection, the department ~~division~~ may suspend or revoke the



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license of the permitholder, cancel the permit of the permitholder, or deny issuance of any further license or permit to the permitholder.

(b) In addition to the civil penalty prescribed in paragraph (a), any willful or wanton failure by any permitholder to make payments of the daily license fee, admission tax, tax on handle, or breaks tax constitutes sufficient grounds for the department ~~division~~ to suspend or revoke the license of the permitholder, to cancel the permit of the permitholder, or to deny issuance of any further license or permit to the permitholder.

Section 12. Subsections (2) and (3) of section 550.09511, Florida Statutes, are amended to read:

550.09511 Jai alai taxes; abandoned interest in a permit for nonpayment of taxes.—

(2) Notwithstanding the provisions of s. 550.0951(3)(b), wagering on live jai alai performances shall be subject to the following taxes:

(a)1. The tax on handle per performance for live jai alai performances is 4.25 percent of handle per performance. However, when the live handle of a permitholder during the preceding state fiscal year was less than \$15 million, the tax shall be paid on the handle in excess of \$30,000 per performance per day.

2. The tax rate shall be applicable only until the requirements of paragraph (b) are met.

(b) At such time as the total of admissions tax, daily license fee, and tax on handle for live jai alai performances paid to the department ~~division~~ by a permitholder during the current state fiscal year exceeds the total state tax revenues



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from wagering on live jai alai performances paid or due by the permitholder in fiscal year 1991-1992, the permitholder shall pay tax on handle for live jai alai performances at a rate of 2.55 percent of the handle per performance for the remainder of the current state fiscal year. For purposes of this section, total state tax revenues on live jai alai wagering in fiscal year 1991-1992 shall include any admissions tax, tax on handle, surtaxes on handle, and daily license fees.

(c) If no tax on handle for live jai alai performances were paid to the department ~~division~~ by a jai alai permitholder during the 1991-1992 state fiscal year, then at such time as the total of admissions tax, daily license fee, and tax on handle for live jai alai performances paid to the department ~~division~~ by a permitholder during the current state fiscal year exceeds the total state tax revenues from wagering on live jai alai performances paid or due by the permitholder in the last state fiscal year in which the permitholder conducted a full schedule of live games, the permitholder shall pay tax on handle for live jai alai performances at a rate of 3.3 percent of the handle per performance for the remainder of the current state fiscal year. For purposes of this section, total state tax revenues on live jai alai wagering shall include any admissions tax, tax on handle, surtaxes on handle, and daily license fees. ~~This paragraph shall take effect July 1, 1993.~~

(d) A permitholder who obtains a new permit issued by the department ~~division~~ subsequent to the 1991-1992 state fiscal year and a permitholder whose permit has been converted to a jai alai permit under the provisions of this chapter, shall, at such time as the total of admissions tax, daily license fee, and tax



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on handle for live jai alai performances paid to the department  
~~division~~ by the permitholder during the current state fiscal  
year exceeds the average total state tax revenues from wagering  
on live jai alai performances for the first 3 consecutive jai  
alai seasons paid to or due the department ~~division~~ by the  
permitholder and during which the permitholder conducted a full  
schedule of live games, pay tax on handle for live jai alai  
performances at a rate of 3.3 percent of the handle per  
performance for the remainder of the current state fiscal year.

(e) The payment of taxes pursuant to paragraphs (b), (c),  
and (d) shall be calculated and commence beginning the day in  
which the permitholder is first entitled to the reduced rate  
specified in this section and the report of taxes required by s.  
550.0951(6) ~~s. 550.0951(5)~~ is submitted to the department  
~~division~~.

(f) A jai alai permitholder paying taxes under this section  
shall retain the breaks and pay an amount equal to the breaks as  
special prize awards, which shall be in addition to the regular  
contracted prize money paid to jai alai players at the  
permitholder's facility. Payment of the special prize money  
shall be made during the permitholder's current meet.

(g) For purposes of this section, "handle" has ~~shall have~~  
the same meaning as in s. 550.0951, and does ~~shall~~ not include  
handle from intertrack wagering.

(3)(a) Notwithstanding the provisions of subsection (2) and  
s. 550.0951(3)(c)1., any jai alai permitholder that ~~which~~ is  
restricted under Florida law from operating live performances on  
a year-round basis is entitled to conduct wagering on live  
performances at a tax rate of 3.85 percent of live handle. Such



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permitholder is also entitled to conduct intertrack wagering as a host permitholder on live jai alai games at its fronton at a tax rate of 3.3 percent of handle at such time as the total tax on intertrack handle paid to the department ~~division~~ by the permitholder during the current state fiscal year exceeds the total tax on intertrack handle paid to the department ~~division~~ by the permitholder during the 1992-1993 state fiscal year.

(b) The payment of taxes pursuant to paragraph (a) shall be calculated and commence beginning the day in which the permitholder is first entitled to the reduced rate specified in this subsection.

Section 13. Section 550.09512, Florida Statutes, is amended to read:

550.09512 Harness horse racing taxes; abandoned interest in a permit for nonpayment of taxes.—

(1) Pari-mutuel wagering at harness horse racetracks in this state is an important business enterprise, and taxes derived therefrom constitute a part of the tax structure which funds operation of the state. Harness horse racing permitholders should pay their fair share of these taxes to the state. This business interest should not be taxed to such an extent as to cause any racetrack that ~~which~~ is operated under sound business principles to be forced out of business. Due to the need to protect the public health, safety, and welfare, the gaming laws of the state provide for the harness horse racing industry to be highly regulated and taxed. The state recognizes that there exist identifiable differences between harness horse racing permitholders based upon their ability to operate under such regulation and tax system.



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(2) (a) The tax on handle for live harness horse racing performances is 0.5 percent of handle per performance.

(b) For purposes of this section, the term "handle" has ~~shall have~~ the same meaning as in s. 550.0951, and does ~~shall~~ not include handle from intertrack wagering.

(3) ~~(a)~~ The department shall revoke the permit of a harness horse racing permitholder that ~~who~~ does not pay tax on handle for live harness horse racing performances for a full schedule of live races for more than 24 consecutive months ~~during any 2 consecutive state fiscal years shall be void and shall escheat to and become the property of the state unless such failure to operate and pay tax on handle was the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control. Financial hardship to the permitholder~~ does ~~shall~~ not, in and of itself, constitute just cause for failure to operate and pay tax on handle. A permit revoked under this subsection is void and may not be reissued.

~~(b) In order to maximize the tax revenues to the state, the division shall reissue an escheated harness horse permit to a qualified applicant pursuant to the provisions of this chapter as for the issuance of an initial permit. However, the provisions of this chapter relating to referendum requirements for a pari-mutuel permit shall not apply to the reissuance of an escheated harness horse permit. As specified in the application and upon approval by the division of an application for the permit, the new permitholder shall be authorized to operate a harness horse facility anywhere in the same county in which the escheated permit was authorized to be operated, notwithstanding the provisions of s. 550.054(2) relating to mileage limitations.~~





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(4) ~~If In the event that~~ a court of competent jurisdiction determines any of the provisions of this section to be unconstitutional, it is the intent of the Legislature that the provisions contained in this section shall be ~~null and~~ void and that the provisions of s. 550.0951 ~~shall~~ apply to all harness horse racing permitholders beginning on the date of such judicial determination. To this end, the Legislature declares that it would not have enacted any of the provisions of this section individually and, to that end, expressly finds them not to be severable.

Section 14. Section 550.09514, Florida Statutes, is amended to read:

550.09514 Greyhound racing ~~dogracing~~ taxes; purse requirements.—

~~(1) Wagering on greyhound racing is subject to a tax on handle for live greyhound racing as specified in s. 550.0951(3). However, each permitholder shall pay no tax on handle until such time as this subsection has resulted in a tax savings per state fiscal year of \$360,000. Thereafter, each permitholder shall pay the tax as specified in s. 550.0951(3) on all handle for the remainder of the permitholder's current race meet. For the three permitholders that conducted a full schedule of live racing in 1995, and are closest to another state that authorizes greyhound pari-mutuel wagering, the maximum tax savings per state fiscal year shall be \$500,000. The provisions of this subsection relating to tax exemptions shall not apply to any charity or scholarship performances conducted pursuant to s. 550.0351.~~

~~(1)(2)~~(a) The department ~~division~~ shall determine for each greyhound racing permitholder the annual purse percentage rate



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of live handle for the state fiscal year 1993-1994 by dividing total purses paid on live handle by the permitholder, exclusive of payments made from outside sources, during the 1993-1994 state fiscal year by the permitholder's live handle for the 1993-1994 state fiscal year. A greyhound racing ~~Each~~ permitholder conducting live racing during a fiscal year shall pay as purses for such live races conducted during its current race meet a percentage of its live handle not less than the percentage determined under this paragraph, exclusive of payments made by outside sources, for its 1993-1994 state fiscal year.

(b) Except as otherwise set forth herein, in addition to the minimum purse percentage required by paragraph (a), each greyhound racing permitholder conducting live racing during a fiscal year shall pay as purses an annual amount of \$60 for each live race conducted ~~equal to 75 percent of the daily license fees paid by the greyhound racing each permitholder in for the preceding 1994-1995 fiscal year. These~~ ~~This purse supplement shall be disbursed weekly during the permitholder's race meet in an amount determined by dividing the annual purse supplement by the number of performances approved for the permitholder pursuant to its annual license and multiplying that amount by the number of performances conducted each week. For the greyhound permitholders in the county where there are two greyhound permitholders located as specified in s. 550.615(6), such permitholders shall pay in the aggregate an amount equal to 75 percent of the daily license fees paid by such permitholders for the 1994-1995 fiscal year. These permitholders shall be jointly and severally liable for such purse payments. The~~



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~~additional~~ purses ~~provided by this paragraph~~ must be used exclusively for purses other than stakes and must be disbursed weekly during the permitholder's race meet. The department ~~division~~ shall conduct audits necessary to ensure compliance with this section.

(c)1. Each greyhound racing permitholder, when conducting at least three live performances during any week, shall pay purses in that week on wagers it accepts as a guest track on intertrack and simulcast greyhound races at the same rate as it pays on live races. Each greyhound racing permitholder, when conducting at least three live performances during any week, shall pay purses in that week, at the same rate as it pays on live races, on wagers accepted on greyhound races at a guest track that ~~which~~ is not conducting live racing and is located within the same market area as the greyhound racing permitholder conducting at least three live performances during any week.

2. Each host greyhound racing permitholder shall pay purses on its simulcast and intertrack broadcasts of greyhound races to guest facilities that are located outside its market area in an amount equal to one quarter of an amount determined by subtracting the transmission costs of sending the simulcast or intertrack broadcasts from an amount determined by adding the fees received for greyhound simulcast races plus 3 percent of the greyhound intertrack handle at guest facilities that are located outside the market area of the host and that paid contractual fees to the host for such broadcasts of greyhound races.

(d) The department ~~division~~ shall require sufficient documentation from each greyhound racing permitholder regarding



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purses paid on live racing to assure that the annual purse percentage rates paid by each greyhound racing permitholder conducting ~~on the~~ live races are not reduced below those paid during the 1993-1994 state fiscal year. The department ~~division~~ shall require sufficient documentation from each greyhound racing permitholder to assure that the purses paid by each permitholder on the greyhound intertrack and simulcast broadcasts are in compliance with the requirements of paragraph (c).

(e) In addition to the purse requirements of paragraphs (a)-(c), each greyhound racing permitholder conducting live races shall pay as purses an amount equal to one-third of the amount of the tax reduction on live and simulcast handle applicable to such permitholder as a result of the reductions in tax rates provided by s. 6, chapter 2000-354, Laws of Florida ~~this act through the amendments to s. 550.0951(3)~~. With respect to intertrack wagering when the host and guest tracks are greyhound racing permitholders not within the same market area, an amount equal to the tax reduction applicable to the guest track handle as a result of the reduction in tax rate provided by s. 6, chapter 2000-354, Laws of Florida, ~~this act through the amendment to s. 550.0951(3)~~ shall be distributed to the guest track, one-third of which amount shall be paid as purses at the guest track. However, if the guest track is a greyhound racing permitholder within the market area of the host or if the guest track is not a greyhound racing permitholder, an amount equal to such tax reduction applicable to the guest track handle shall be retained by the host track, one-third of which amount shall be paid as purses at the host track. These purse funds shall be



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disbursed in the week received if the permitholder conducts at least one live performance during that week. If the permitholder does not conduct at least one live performance during the week in which the purse funds are received, the purse funds shall be disbursed weekly during the permitholder's next race meet in an amount determined by dividing the purse amount by the number of performances approved for the permitholder pursuant to its annual license, and multiplying that amount by the number of performances conducted each week. The department ~~division~~ shall conduct audits necessary to ensure compliance with this paragraph.

(f) Each greyhound racing permitholder conducting live racing shall, during the permitholder's race meet, supply kennel operators and the Department of Gaming ~~Division of Pari-Mutuel Wagering~~ with a weekly report showing purses paid on live greyhound races and all greyhound intertrack and simulcast broadcasts, including both as a guest and a host together with the handle or commission calculations on which such purses were paid and the transmission costs of sending the simulcast or intertrack broadcasts, so that the kennel operators may determine statutory and contractual compliance.

(g) Each greyhound racing permitholder conducting live racing shall make direct payment of purses to the greyhound owners who have filed with such permitholder appropriate federal taxpayer identification information based on the percentage amount agreed upon between the kennel operator and the greyhound owner.

(h) At the request of a majority of kennel operators under contract with a greyhound racing permitholder conducting live



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1461 racing, the permitholder shall make deductions from purses paid  
1462 to each kennel operator electing such deduction and shall make a  
1463 direct payment of such deductions to the local association of  
1464 greyhound kennel operators formed by a majority of kennel  
1465 operators under contract with the permitholder. The amount of  
1466 the deduction shall be at least 1 percent of purses, as  
1467 determined by the local association of greyhound kennel  
1468 operators. ~~No~~ Deductions may not be taken pursuant to this  
1469 paragraph without a kennel operator's specific approval before  
1470 or after the effective date of this act.

1471 ~~(2)(3)~~ For the purpose of this section, the term "live  
1472 handle" means the handle from wagers placed at the  
1473 permitholder's establishment on the live greyhound races  
1474 conducted at the permitholder's establishment.

1475 Section 15. Section 550.09515, Florida Statutes, is amended  
1476 to read:

1477 550.09515 Thoroughbred racing ~~horse~~ taxes; abandoned  
1478 interest in a permit for nonpayment of taxes.—

1479 (1) Pari-mutuel wagering at thoroughbred horse racetracks  
1480 in this state is an important business enterprise, and taxes  
1481 derived therefrom constitute a part of the tax structure which  
1482 funds operation of the state. Thoroughbred horse permitholders  
1483 should pay their fair share of these taxes to the state. This  
1484 business interest should not be taxed to such an extent as to  
1485 cause any racetrack which is operated under sound business  
1486 principles to be forced out of business. Due to the need to  
1487 protect the public health, safety, and welfare, the gaming laws  
1488 of the state provide for the thoroughbred horse industry to be  
1489 highly regulated and taxed. The state recognizes that there



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exist identifiable differences between thoroughbred horse permitholders based upon their ability to operate under such regulation and tax system and at different periods during the year.

(2) (a) The tax on handle for live thoroughbred horserace performances shall be 0.5 percent.

(b) For purposes of this section, the term "handle" shall have the same meaning as in s. 550.0951, and shall not include handle from intertrack wagering.

(3) ~~(a)~~ The department shall revoke the permit of a thoroughbred racing horse permitholder that who does not pay tax on handle for live thoroughbred horse performances for a full schedule of live races for more than 24 consecutive months ~~during any 2 consecutive state fiscal years shall be void and shall escheat to and become the property of the state unless such failure to operate and pay tax on handle was the direct result of fire, strike, war, or other disaster or event beyond the ability of the permitholder to control. Financial hardship to the permitholder does shall not, in and of itself, constitute just cause for failure to operate and pay tax on handle. A permit revoked under this subsection is void and may not be reissued.~~

~~(b) In order to maximize the tax revenues to the state, the division shall reissue an escheated thoroughbred horse permit to a qualified applicant pursuant to the provisions of this chapter as for the issuance of an initial permit. However, the provisions of this chapter relating to referendum requirements for a pari-mutuel permit shall not apply to the reissuance of an escheated thoroughbred horse permit. As specified in the~~



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~~application and upon approval by the division of an application for the permit, the new permitholder shall be authorized to operate a thoroughbred horse facility anywhere in the same county in which the escheated permit was authorized to be operated, notwithstanding the provisions of s. 550.054(2) relating to mileage limitations.~~

(4) In the event that a court of competent jurisdiction determines any of the provisions of this section to be unconstitutional, it is the intent of the Legislature that the provisions contained in this section shall be null and void and that the provisions of s. 550.0951 shall apply to all thoroughbred horse permitholders beginning on the date of such judicial determination. To this end, the Legislature declares that it would not have enacted any of the provisions of this section individually and, to that end, expressly finds them not to be severable.

(5) Notwithstanding the provisions of s. 550.0951(3)(c), the tax on handle for intertrack wagering on rebroadcasts of simulcast horseraces is 2.4 percent of the handle; provided however, that if the guest track is a thoroughbred track located more than 35 miles from the host track, the host track shall pay a tax of .5 percent of the handle, and additionally the host track shall pay to the guest track 1.9 percent of the handle to be used by the guest track solely for purses. The tax shall be deposited into the Pari-mutuel Wagering Trust Fund.

(6) A credit equal to the amount of contributions made by a thoroughbred racing permitholder during the taxable year directly to the Jockeys' Guild or its health and welfare fund to be used to provide health and welfare benefits for active,





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disabled, and retired Florida jockeys and their dependents pursuant to reasonable rules of eligibility established by the Jockeys' Guild is allowed against taxes on live handle due for a taxable year under this section. A thoroughbred racing permitholder may not receive a credit greater than an amount equal to 1 percent of its paid taxes for the previous taxable year.

(7) If a thoroughbred racing permitholder fails to operate all performances on its 2001-2002 license, failure to pay tax on handle for a full schedule of live races for those performances in the 2001-2002 fiscal year does not constitute failure to pay taxes on handle for a full schedule of live races in a fiscal year for the purposes of subsection (3). This subsection may not be construed as forgiving a thoroughbred racing permitholder from paying taxes on performances conducted at its facility pursuant to its 2001-2002 license other than for failure to operate all performances on its 2001-2002 license. This subsection expires July 1, 2003.

Section 16. Section 550.1625, Florida Statutes, is amended to read:

550.1625 Greyhound racing ~~dogracing~~; taxes.—

(1) The operation of a greyhound racing ~~dog~~ track and legalized pari-mutuel betting at greyhound racing ~~dog~~ tracks in this state is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state. Pari-mutuel wagering at greyhound racing ~~dog~~ tracks in this state is a substantial business, and taxes derived therefrom constitute part of the tax structures of the state and the counties. The operators of greyhound racing ~~dog~~ tracks



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should pay their fair share of taxes to the state; at the same time, this substantial business interest should not be taxed to such an extent as to cause a track that is operated under sound business principles to be forced out of business.

(2) A permitholder that conducts a greyhound race ~~dog race~~ meet under this chapter must pay the daily license fee, the admission tax, ~~the breaks tax~~, and the tax on pari-mutuel handle as provided in s. 550.0951 and is subject to all penalties and sanctions provided in s. 550.0951(7) ~~s. 550.0951(6)~~.

Section 17. Section 550.1647, Florida Statutes, is repealed.

Section 18. Section 550.1648, Florida Statutes, is amended to read:

550.1648 Greyhound adoptions.—

~~(1) A greyhound racing~~ ~~Each dog racing~~ permitholder that conducts live racing at ~~operating a greyhound racing dog racing~~ facility in this state shall provide for a greyhound adoption booth to be located at the facility.

(1) (a) The greyhound adoption booth must be operated on weekends by personnel or volunteers from a bona fide organization that promotes or encourages the adoption of greyhounds pursuant to s. 550.1647. Such bona fide organization, as a condition of adoption, must provide sterilization of greyhounds by a licensed veterinarian before relinquishing custody of the greyhound to the adopter. The fee for sterilization may be included in the cost of adoption. As used in this section, the term "weekend" includes the hours during which live greyhound racing is conducted on Friday, Saturday, or Sunday, and the term "bona fide organization that promotes or



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encourages the adoption of greyhounds" means an organization that provides evidence of compliance with chapter 496 and possesses a valid exemption from federal taxation issued by the Internal Revenue Service. Information pamphlets and application forms shall be provided to the public upon request.

(b) ~~In addition,~~ The kennel operator or owner shall notify the permitholder that a greyhound is available for adoption and the permitholder shall provide information concerning the adoption of a greyhound in each race program and shall post adoption information at conspicuous locations throughout the greyhound racing ~~dog racing~~ facility. Any greyhound that is participating in a race and that will be available for future adoption must be noted in the race program. The permitholder shall allow greyhounds to be walked through the track facility to publicize the greyhound adoption program.

(2) In addition to the charity days authorized under s. 550.0351, a greyhound racing permitholder may fund the greyhound adoption program by holding a charity racing day designated as "Greyhound Adopt-A-Pet Day." All profits derived from the operation of the charity day must be placed into a fund used to support activities at the racing facility which promote the adoption of greyhounds. The department ~~division~~ may adopt rules for administering the fund. ~~Proceeds from the charity day authorized in this subsection may not be used as a source of funds for the purposes set forth in s. 550.1647.~~

(3) (a) Upon a violation of this section by a permitholder or licensee, the department ~~division~~ may impose a penalty as provided in s. 550.0251(10) and require the permitholder to take corrective action.



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(b) A penalty imposed under s. 550.0251(10) does not exclude a prosecution for cruelty to animals or for any other criminal act.

Section 19. Section 550.1751, Florida Statutes, is created to read:

550.1751 Reduction in the number of pari-mutuel permits.—

(1) As used in this section, the term:

(a) "Active pari-mutuel permit" means a pari-mutuel permit that is actively used for the conduct of pari-mutuel racing or jai alai and under which the permitholder is operating all performances at the dates and times specified on its operating license.

(b) "Bidder for an additional slot machine license" means a person who submits a bid or intends to submit a bid for an additional slot machine license in Miami-Dade County or Palm Beach County, as provided in s. 551.1041.

(2) A pari-mutuel permitholder may enter into an agreement for the sale and transfer of an active pari-mutuel permit to a bidder for an additional slot machine license. An active pari-mutuel permit sold and transferred to the highest bidder under the process in s. 551.1041 must be surrendered to the department and voided.

Section 20. Section 550.1752, Florida Statutes, is created to read:

550.1752 Permit reduction program.—

(1) The permit reduction program is created in the Department of Gaming for the purpose of purchasing and cancelling active pari-mutuel permits. The program shall be funded from revenue share payments made by the Seminole Tribe of



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Florida under the compact ratified by s. 285.710(3) and received by the state after October 31, 2015. Compact payments payable for the program shall be calculated on a monthly basis until such time as the department determines that sufficient funds are available to fund the program. The total funding allocated to the program may not exceed \$20 million.

(2) The department shall purchase pari-mutuel permits from pari-mutuel permitholders when sufficient moneys are available for such purchases. A pari-mutuel permitholder may not submit an offer to sell a permit unless it is actively conducting pari-mutuel racing or jai alai as required by law and satisfies all applicable requirements for the permit. The department shall adopt by rule the form to be used by a pari-mutuel permitholder for an offer to sell a permit and shall establish a schedule for the consideration of offers.

(3) The department shall establish the value of a pari-mutuel permit based upon the valuation of one or more independent appraisers selected by the department. The valuation of a permit must be based on the permit's fair market value and may not include the value of the real estate or personal property. The department may establish a value for the permit that is lower than the amount determined by an independent appraiser but may not establish a higher value.

(4) The department must accept the offer or offers that best utilize available funding; however, the department may also accept the offers that it determines are most likely to reduce the incidence of gaming in this state.

(5) The department shall cancel any permit purchased under this section.



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(6) This section shall expire on July 1, 2018, unless reenacted by the Legislature.

Section 21. Section 550.2416, Florida Statutes, is created to read:

550.2416 Reporting of racing greyhound injuries.—

(1) An injury to a racing greyhound which occurs while the greyhound is located in this state must be reported on a form adopted by the department within 7 days after the date on which the injury occurred or is believed to have occurred. The department may adopt rules defining the term "injury."

(2) The form shall be completed and signed under oath or affirmation by the:

(a) Racetrack veterinarian or director of racing, if the injury occurred at the racetrack facility; or

(b) Owner, trainer, or kennel operator who had knowledge of the injury, if the injury occurred at a location other than the racetrack facility, including during transportation.

(3) The department may fine, suspend, or revoke the license of any individual who knowingly violates this section.

(4) The form must include the following:

(a) The greyhound's registered name, right-ear and left-ear tattoo numbers, and, if any, the microchip manufacturer and number.

(b) The name, business address, and telephone number of the greyhound owner, the trainer, and the kennel operator.

(c) The color, weight, and sex of the greyhound.

(d) The specific type and bodily location of the injury, the cause of the injury, and the estimated recovery time from the injury.



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(e) If the injury occurred when the greyhound was racing:

1. The racetrack where the injury occurred;

2. The distance, grade, race, and post position of the greyhound when the injury occurred; and

3. The weather conditions, time, and track conditions when the injury occurred.

(f) If the injury occurred when the greyhound was not racing:

1. The location where the injury occurred, including, but not limited to, a kennel, a training facility, or a transportation vehicle; and

2. The circumstances surrounding the injury.

(g) Other information that the department determines is necessary to identify injuries to racing greyhounds in this state.

(5) An injury form created pursuant to this section must be maintained as a public record by the department for at least 7 years after the date it was received.

(6) A licensee of the department who knowingly makes a false statement concerning an injury or fails to report an injury is subject to disciplinary action under this chapter or chapters 455 and 474.

(7) This section does not apply to injuries to a service animal, personal pet, or greyhound that has been adopted as a pet.

(8) The department shall adopt rules to implement this section.

Section 22. Subsections (1) and (3) of section 550.26165, Florida Statutes, are amended to read:



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550.26165 Breeders' awards.—

(1) The purpose of this section is to encourage the agricultural activity of breeding and training racehorses in this state. Moneys dedicated in this chapter for use as breeders' awards and stallion awards are to be used for awards to breeders of registered Florida-bred horses winning horseraces and for similar awards to the owners of stallions who sired Florida-bred horses winning stakes races, if the stallions are registered as Florida stallions standing in this state. Such awards shall be given at a uniform rate to all winners of the awards, may ~~shall~~ not be greater than 20 percent of the announced gross purse, and may ~~shall~~ not be less than 15 percent of the announced gross purse if funds are available. In addition, at least ~~no less than~~ 17 percent, but not ~~nor~~ more than 40 percent, as determined by the Florida Thoroughbred Breeders' Association, of the moneys dedicated in this chapter for use as breeders' awards and stallion awards for thoroughbreds shall be returned pro rata to the permitholders that generated the moneys for special racing awards to be distributed by the permitholders to owners of thoroughbred horses participating in prescribed thoroughbred stakes races, nonstakes races, or both, all in accordance with a written agreement establishing the rate, procedure, and eligibility requirements for such awards entered into by the permitholder, the Florida Thoroughbred Breeders' Association, and the Florida Horsemen's Benevolent and Protective Association, Inc., except that the plan for the distribution by any permitholder located in the area described in s. 550.615(7) ~~s. 550.615(9)~~ shall be agreed upon by that permitholder, the Florida Thoroughbred





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Breeders' Association, and the association representing a majority of the thoroughbred racehorse owners and trainers at that location. Awards for thoroughbred races are to be paid through the Florida Thoroughbred Breeders' Association, and awards for standardbred races are to be paid through the Florida Standardbred Breeders and Owners Association. Among other sources specified in this chapter, moneys for thoroughbred breeders' awards will come from the 0.955 percent of handle for thoroughbred races conducted, received, broadcast, or simulcast under this chapter as provided in s. 550.2625(3). The moneys for quarter horse and harness breeders' awards will come from the breaks and uncashed tickets on live quarter horse and harness horse racing performances and 1 percent of handle on intertrack wagering. The funds for these breeders' awards shall be paid to the respective breeders' associations by the permitholders conducting the races.

(3) Breeders' associations shall submit their plans to the department ~~division~~ at least 60 days before the beginning of the payment year. The payment year may be a calendar year or any 12-month period, but once established, the yearly base may not be changed except for compelling reasons. Once a plan is approved, the department ~~division~~ may not allow the plan to be amended during the year, except for the most compelling reasons.

Section 23. Section 550.3345, Florida Statutes, is amended to read:

550.3345 ~~Conversion of quarter horse permit to a~~ Limited thoroughbred racing permit.—

(1) In recognition of the important and long-standing economic contribution of the thoroughbred horse breeding



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industry to this state and the state's vested interest in promoting the continued viability of this agricultural activity, the state intends to provide a limited opportunity for the conduct of live thoroughbred horse racing with the net revenues from such racing dedicated to the enhancement of thoroughbred purses and breeders', stallion, and special racing awards under this chapter; the general promotion of the thoroughbred horse breeding industry; and the care in this state of thoroughbred horses retired from racing.

(2) A limited thoroughbred racing permit previously converted from ~~Notwithstanding any other provision of law, the holder of a quarter horse racing permit pursuant to chapter 2010-29, Laws of Florida, issued under s. 550.334 may only be held by, within 1 year after the effective date of this section, apply to the division for a transfer of the quarter horse racing permit to~~ a not-for-profit corporation formed under state law to serve the purposes of the state as provided in subsection (1). The board of directors of the not-for-profit corporation must be composed ~~comprised~~ of 11 members, 4 of whom shall be designated by the applicant, 4 of whom shall be designated by the Florida Thoroughbred Breeders' Association, and 3 of whom shall be designated by the other 8 directors, with at least 1 of these 3 members being an authorized representative of another thoroughbred racing permitholder in this state. A limited thoroughbred racing ~~The not-for-profit corporation shall submit an application to the division for review and approval of the transfer in accordance with s. 550.054. Upon approval of the transfer by the division, and notwithstanding any other provision of law to the contrary, the not-for-profit corporation~~



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~~may, within 1 year after its receipt of the permit, request that the division convert the quarter horse racing permit to a permit authorizing the holder to conduct pari-mutuel wagering meets of thoroughbred racing. Neither the transfer of the quarter horse racing permit nor its conversion to a limited thoroughbred permit shall be subject to the mileage limitation or the ratification election as set forth under s. 550.054(2) or s. 550.0651. Upon receipt of the request for such conversion, the division shall timely issue a converted permit. The converted permit and the not-for-profit corporation are shall be subject to the following requirements:~~

(a) All net revenues derived by the not-for-profit corporation under the thoroughbred ~~horse~~ racing permit, after the funding of operating expenses and capital improvements, shall be dedicated to the enhancement of thoroughbred purses and breeders', stallion, and special racing awards under this chapter; the general promotion of the thoroughbred horse breeding industry; and the care in this state of thoroughbred horses retired from racing.

(b) From December 1 through April 30, ~~no~~ live thoroughbred racing may not be conducted under the permit on any day during which another thoroughbred racing permitholder is conducting live thoroughbred racing within 125 air miles of the not-for-profit corporation's pari-mutuel facility unless the other thoroughbred racing permitholder gives its written consent.

(c) ~~After the conversion of the quarter horse racing permit and~~ the issuance of its initial license to conduct pari-mutuel wagering meets of thoroughbred racing, the not-for-profit corporation shall annually apply to the department ~~division~~ for



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a license pursuant to s. 550.5251.

(d) Racing under the permit may take place only at the location for which the original quarter horse racing permit was issued, which may be leased by the not-for-profit corporation for that purpose; ~~however, the not-for-profit corporation may, without the conduct of any ratification election pursuant to s. 550.054(13) or s. 550.0651, move the location of the permit to another location in the same county provided that such relocation is approved under the zoning and land use regulations of the applicable county or municipality.~~

(e) A limited thoroughbred racing ~~No permit may not be transferred converted under this section is eligible for transfer~~ to another person or entity.

(3) Unless otherwise provided in this section, ~~after conversion,~~ the permit and the not-for-profit corporation shall be treated under the laws of this state as a thoroughbred racing permit and as a thoroughbred racing permitholder, respectively, with the exception of ss. 550.054(9)(c) and (d) and s. 550.09515(3).

Section 24. Subsections (6), (10), and (13) of section 550.3551, Florida Statutes, are amended to read:

550.3551 Transmission of racing and jai alai information; commingling of pari-mutuel pools.—

(6) (a) ~~A maximum of 20 percent of the total number of races on which wagers are accepted by a greyhound permitholder not located as specified in s. 550.615(6) may be received from locations outside this state. A permitholder may not conduct fewer than eight live races or games on any authorized race day except as provided in this subsection. A thoroughbred racing~~



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permitholder may not conduct fewer than eight live races on any race day without the written approval of the Florida Thoroughbred Breeders' Association and the Florida Horsemen's Benevolent and Protective Association, Inc., unless it is determined by the department that another entity represents a majority of the thoroughbred racehorse owners and trainers in the state. A harness horse racing permitholder may conduct fewer than eight live races on any authorized race day, except that such permitholder must conduct a full schedule of live racing during its race meet consisting of at least eight live races per authorized race day for at least 100 days. ~~Any harness horse permitholder that during the preceding racing season conducted a full schedule of live racing may, at any time during its current race meet, receive full-card broadcasts of harness horse races conducted at harness racetracks outside this state at the harness track of the permitholder and accept wagers on such harness races.~~ With specific authorization from the department ~~division~~ for special racing events, a permitholder may conduct fewer than eight live races or games when the permitholder also broadcasts out-of-state races or games. The department ~~division~~ may not grant more than two such exceptions a year for a permitholder in any 12-month period, and those two exceptions may not be consecutive.

(b) Notwithstanding any other provision of this chapter, any harness horse racing permitholder accepting broadcasts of out-of-state harness horse races when such permitholder is not conducting live races must make the out-of-state signal available to all permitholders eligible to conduct intertrack wagering and shall pay to guest tracks located as specified in



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s. ~~ss. 550.615(6)~~ and 550.6305(9) (d) 50 percent of the net proceeds after taxes and fees to the out-of-state host track on harness horse race wagers which they accept. A harness horse racing permitholder shall be required to pay into its purse account 50 percent of the net income retained by the permitholder on account of wagering on the out-of-state broadcasts received pursuant to this subsection. Nine-tenths of a percent of all harness horse race wagering proceeds on the broadcasts received pursuant to this subsection shall be paid to the Florida Standardbred Breeders and Owners Association under the provisions of s. 550.2625(4) for the purposes provided therein.

(10) The department ~~division~~ may adopt rules necessary to facilitate commingling of pari-mutuel pools, to ensure the proper calculation of payoffs in circumstances in which different commission percentages are applicable and to regulate the distribution of net proceeds between the horse track and, in this state, the horsemen's associations.

(13) This section does not prohibit the commingling of national pari-mutuel pools by a totalisator company that is licensed under this chapter. Such commingling of national pools is subject to department ~~division~~ review and approval and must be performed pursuant to ~~in accordance with~~ rules adopted by the department ~~division~~ to ensure accurate calculation and distribution of the pools.

Section 25. Subsections (2), (3), and (4) of section 550.375, Florida Statutes, are amended to read:

550.375 Operation of certain harness tracks.—

(2) Any permittee or licensee authorized under this section



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to transfer the location of its permit may conduct harness racing only between the hours of 7 p.m. and 2 a.m. A permit so transferred applies only to the locations provided in this section. The provisions of this chapter which prohibit the location and operation of a licensed harness track permittee and licensee within 100 air miles of the location of a racetrack authorized to conduct racing under this chapter and which prohibit the department ~~division~~ from granting any permit to a harness track at a location in the area in which there are three horse tracks located within 100 air miles thereof do not apply to a licensed harness track that is required by the terms of this section to race between the hours of 7 p.m. and 2 a.m.

(3) A permit may not be issued by the department ~~division~~ for the operation of a harness track within 75 air miles of a location of a harness track licensed and operating under this chapter.

(4) The permitholder conducting a harness horse race meet must pay the daily license fee, the admission tax, the tax on breaks, and the tax on pari-mutuel handle provided in s. 550.0951 and is subject to all penalties and sanctions provided in s. 550.0951(7) ~~s. 550.0951(6)~~.

Section 26. Subsections (2), (4), (6), and (7) of section 550.615, Florida Statutes, are amended, present subsections (8), (9), and (10) of that section are redesignated as subsections (6), (7), and (8), respectively, and amended, and a new subsection (9) is added to that section, to read:

550.615 Intertrack wagering.—

(2) A ~~Any~~ track or fronton licensed under this chapter which conducted a full schedule of live racing or games in the



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preceding year and any greyhound racing permitholder that  
conducted a full schedule of live racing for a period of at  
least 10 consecutive state fiscal years after the 1996-1997  
state fiscal year or that converted its permit to a permit to  
conduct greyhound racing after that fiscal year is qualified to,  
at any time, receive broadcasts of any class of pari-mutuel race  
or game and accept wagers on such races or games conducted by  
any class of permitholders licensed under this chapter.

(4) ~~An In no event shall any~~ intertrack wager may not be  
accepted on the same class of live races or games of any  
permitholder without the written consent of such operating  
permitholders conducting the same class of live races or games  
if the guest track is within the market area of such operating  
permitholder. A greyhound racing permitholder licensed under  
this chapter which accepts intertrack wagers on live greyhound  
signals is not required to obtain the written consent required  
by this subsection from any operating greyhound racing  
permitholder within its market area.

~~(6) Notwithstanding the provisions of subsection (3), in~~  
~~any area of the state where there are three or more horserace~~  
~~permitholders within 25 miles of each other, intertrack wagering~~  
~~between permitholders in said area of the state shall only be~~  
~~authorized under the following conditions: Any permitholder,~~  
~~other than a thoroughbred permitholder, may accept intertrack~~  
~~wagers on races or games conducted live by a permitholder of the~~  
~~same class or any harness permitholder located within such area~~  
~~and any harness permitholder may accept wagers on games~~  
~~conducted live by any jai alai permitholder located within its~~  
~~market area and from a jai alai permitholder located within the~~





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~~area specified in this subsection when no jai alai permitholder located within its market area is conducting live jai alai performances; any greyhound or jai alai permitholder may receive broadcasts of and accept wagers on any permitholder of the other class provided that a permitholder, other than the host track, of such other class is not operating a contemporaneous live performance within the market area.~~

~~(7) In any county of the state where there are only two permits, one for dogracing and one for jai alai, no intertrack wager may be taken during the period of time when a permitholder is not licensed to conduct live races or games without the written consent of the other permitholder that is conducting live races or games. However, if neither permitholder is conducting live races or games, either permitholder may accept intertrack wagers on horseraces or on the same class of races or games, or on both horseraces and the same class of races or games as is authorized by its permit.~~

~~(6)(8) In any three contiguous counties of the state where there are only three permitholders, all of which are greyhound racing permitholders, if a greyhound racing any permitholder leases the facility of another greyhound racing permitholder for the purpose of conducting all or any portion of the conduct of its live race meet pursuant to s. 550.475, such lessee may conduct intertrack wagering at its pre-lease permitted facility throughout the entire year, including while its live race meet is being conducted at the leased facility, if such permitholder has conducted a full schedule of live racing during the preceding fiscal year at its pre-lease permitted facility or at a leased facility, or combination thereof.~~



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(7)~~(9)~~ In any two contiguous counties of the state in which there are located only four active permits, one for thoroughbred horse racing, two for greyhound racing ~~dog racing~~, and one for jai alai games, an ~~no~~ intertrack wager may not be accepted on the same class of live races or games of any permitholder without the written consent of such operating permitholders conducting the same class of live races or games if the guest track is within the market area of such operating permitholder.

(8)~~(10)~~ All costs of receiving the transmission of the broadcasts shall be borne by the guest track; and all costs of sending the broadcasts shall be borne by the host track.

(9) A greyhound racing permitholder, as provided in subsection (2), operating pursuant to a current year's operating license that specifies no live performances or less than a full schedule of live performances is qualified to:

(a) Receive broadcasts at any time of any class of pari-mutuel race or game and accept wagers on such races or games conducted by any class of permitholder licensed under this chapter; and

(b) Accept wagers on live races conducted at out-of-state greyhound tracks only on the days when such permitholder receives all live races that any greyhound host track in this state makes available.

Section 27. Subsection (5) and paragraphs (d), (f), and (g) of subsection (9) of section 550.6305, Florida Statutes, are amended to read:

550.6305 Intertrack wagering; guest track payments; accounting rules.—

(5) The department ~~division~~ shall adopt rules providing an



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expedient accounting procedure for the transfer of the pari-mutuel pool in order to properly account for payment of state taxes, payment to the guest track, payment to the host track, payment of purses, payment to breeders' associations, payment to horsemen's associations, and payment to the public.

(9) A host track that has contracted with an out-of-state horse track to broadcast live races conducted at such out-of-state horse track pursuant to s. 550.3551(5) may broadcast such out-of-state races to any guest track and accept wagers thereon in the same manner as is provided in s. 550.3551.

(d) Any permitholder located in any area of the state where there are only two permits, one for greyhound racing ~~dog racing~~ and one for jai alai, and any permitholder that converted its permit to conduct jai alai to a permit to conduct greyhound racing in lieu of jai alai under s. 550.054(14), Florida Statutes 2014, as created by s. 6, chapter 2009-170, Laws of Florida, may accept wagers on rebroadcasts of out-of-state thoroughbred horse races from an in-state thoroughbred ~~horse~~ racing permitholder and is ~~shall~~ not be subject to the provisions of paragraph (b) if such thoroughbred ~~horse~~ racing permitholder located within the area specified in this paragraph is both conducting live races and accepting wagers on out-of-state horseraces. In such case, the guest permitholder is ~~shall~~ ~~be~~ entitled to 45 percent of the net proceeds on wagers accepted at the guest facility. The remaining proceeds shall be distributed as follows: one-half shall be retained by the host facility and one-half shall be paid by the host facility as purses at the host facility.

(f) Any permitholder located in any area of the state where



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there are only two permits, one for greyhound racing ~~degrading~~  
and one for jai alai, and any permitholder that converted its  
permit to conduct jai alai to a permit to conduct greyhound  
racing in lieu of jai alai under s. 550.054(14), Florida  
Statutes 2014, as created by s. 6, chapter 2009-170, Laws of  
Florida, may accept wagers on rebroadcasts of out-of-state  
harness horse races from an in-state harness horse racing  
permitholder and may ~~shall~~ not be subject to ~~the provisions of~~  
paragraph (b) if such harness horse racing permitholder located  
within the area specified in this paragraph is conducting live  
races. In such case, the guest permitholder is ~~shall be~~ entitled  
to 45 percent of the net proceeds on wagers accepted at the  
guest facility. The remaining proceeds shall be distributed as  
follows: one-half shall be retained by the host facility and  
one-half shall be paid by the host facility as purses at the  
host facility.

(g)1.a. Any thoroughbred racing permitholder that ~~which~~  
accepts wagers on a simulcast signal must make the signal  
available to any permitholder that is eligible to conduct  
intertrack wagering under the provisions of ss. 550.615-  
550.6345.

b.2. Any thoroughbred racing permitholder that ~~which~~  
accepts wagers on a simulcast signal received after 6 p.m. must  
make such signal available to any permitholder that is eligible  
to conduct intertrack wagering under the provisions of ss.  
550.615-550.6345, ~~including any permitholder located as~~  
~~specified in s. 550.615(6).~~ Such guest permitholders are  
authorized to accept wagers on such simulcast signal,  
notwithstanding any other provision of this chapter to the



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contrary.

~~c.3.~~ Any thoroughbred racing permitholder that ~~which~~ accepts wagers on a simulcast signal received after 6 p.m. must make such signal available to any permitholder that is eligible to conduct intertrack wagering under ~~the provisions of ss. 550.615-550.6345, including any permitholder located as specified in s. 550.615(9).~~ Such guest permitholders are authorized to accept wagers on such simulcast signals for a number of performances not to exceed that which constitutes a full schedule of live races for a quarter horse racing permitholder pursuant to s. 550.002(10) ~~s. 550.002(11)~~, notwithstanding any other provision of this chapter to the contrary, ~~except that the restrictions provided in s. 550.615(9) (a) apply to wagers on such simulcast signals.~~

2. A ~~No~~ thoroughbred racing permitholder is not ~~shall be~~ required to continue to rebroadcast a simulcast signal to any in-state permitholder if the average per performance gross receipts returned to the host permitholder over the preceding 30-day period were less than \$100. Subject to the provisions of s. 550.615(4), as a condition of receiving rebroadcasts of thoroughbred simulcast signals under this paragraph, a guest permitholder must accept intertrack wagers on all live races conducted by all then-operating thoroughbred racing permitholders.

Section 28. Section 550.6308, Florida Statutes, is amended to read:

550.6308 Limited intertrack wagering license.—In recognition of the economic importance of the thoroughbred breeding industry to this state, its positive impact on tourism,



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and of the importance of a permanent thoroughbred sales facility as a key focal point for the activities of the industry, a limited license to conduct intertrack wagering is established to ensure the continued viability and public interest in thoroughbred breeding in Florida.

(1) (a) Upon application to the department ~~division~~ on or before January 31 of each year, any person that is licensed to conduct public sales of thoroughbred horses pursuant to s. 535.01 and, that has conducted at least 8 ~~15~~ days of thoroughbred horse sales at a permanent sales facility in this state for at least 3 consecutive years, ~~and that has conducted at least 1 day of nonwagering thoroughbred racing in this state, with a purse structure of at least \$250,000 per year for 2 consecutive years before such application,~~ shall be issued a license, subject to the conditions set forth in this section, to conduct intertrack wagering at such a permanent sales facility during the following periods:

1. ~~(a)~~ Up to 21 days in connection with thoroughbred sales;
2. ~~(b)~~ Between November 1 and May 8;
3. ~~(c)~~ Between May 9 and October 31 at such times and on such days as any thoroughbred racing, jai alai, or a greyhound racing permitholder in the same county is not conducting live performances; provided that any such permitholder may waive this requirement, in whole or in part, and allow the licensee under this section to conduct intertrack wagering during one or more of the permitholder's live performances; and
4. ~~(d)~~ During the weekend of the Kentucky Derby, the Preakness, the Belmont, and a Breeders' Cup Meet that is conducted before November 1 and after May 8.



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(b) ~~Only No more than~~ one such license may be issued, and the ~~no such~~ license may not be issued for a facility located within 50 miles of any for-profit thoroughbred racing permitholder's licensed track.

(2) If more than one application is submitted for such license, the department ~~division~~ shall determine which applicant shall be granted the license. In making its determination, the department ~~division~~ shall grant the license to the applicant demonstrating superior capabilities, as measured by the length of time the applicant has been conducting thoroughbred sales within this state or elsewhere, the applicant's total volume of thoroughbred horse sales, within this state or elsewhere, the length of time the applicant has maintained a permanent thoroughbred sales facility in this state, and the quality of the facility.

(3) The applicant must comply with the provisions of ss. 550.125 and 550.1815.

~~(4) Intertrack wagering under this section may be conducted only on thoroughbred horse racing, except that intertrack wagering may be conducted on any class of pari-mutuel race or game conducted by any class of permitholders licensed under this chapter if all thoroughbred, jai alai, and greyhound permitholders in the same county as the licensee under this section give their consent.~~

~~(4)~~ (5) The licensee shall be considered a guest track under this chapter. The licensee shall pay 2.5 percent of the total contributions to the daily pari-mutuel pool on wagers accepted at the licensee's facility on greyhound races or jai alai games to the thoroughbred racing permitholder that is conducting live



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2215 races for purses to be paid during its current racing meet. If  
2216 more than one thoroughbred racing permitholder is conducting  
2217 live races on a day during which the licensee is conducting  
2218 intertrack wagering on greyhound races or jai alai games, the  
2219 licensee shall allocate these funds between the operating  
2220 thoroughbred racing permitholders on a pro rata basis based on  
2221 the total live handle at the operating permitholders'  
2222 facilities.

2223 Section 29. Section 551.101, Florida Statutes, is amended  
2224 to read:

2225 551.101 Slot machine gaming authorized.~~—Possession of slot~~  
2226 machines and conduct of slot machine gaming is authorized only  
2227 at licensed facilities eligible pursuant to this chapter ~~Any~~  
2228 ~~licensed pari-mutuel facility located in Miami-Dade County or~~  
2229 ~~Broward County existing at the time of adoption of s. 23, Art. X~~  
2230 ~~of the State Constitution that has conducted live racing or~~  
2231 ~~games during calendar years 2002 and 2003 may possess slot~~  
2232 ~~machines and conduct slot machine gaming at the location where~~  
2233 ~~the pari-mutuel permitholder is authorized to conduct pari-~~  
2234 ~~mutuel wagering activities pursuant to such permitholder's valid~~  
2235 ~~pari-mutuel permit provided that a majority of voters in a~~  
2236 ~~countywide referendum have approved slot machines at such~~  
2237 ~~facility in the respective county.~~ Notwithstanding any other  
2238 ~~provision of law,~~ it is not a crime for a person to participate  
2239 in slot machine gaming at a pari-mutuel facility licensed to  
2240 possess slot machines and conduct slot machine gaming or to  
2241 participate in slot machine gaming described in this chapter.

2242 Section 30. Present subsection (1) of section 551.102,  
2243 Florida Statutes, is redesignated as subsection (3), a new





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subsection (1) is added to that section, and present subsection (3) and subsections (4), (10), and (11) of that section are amended, to read:

551.102 Definitions.—As used in this chapter, the term:

(1) "Department" means the Department of Gaming.

~~(3) "Division" means the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation.~~

(4) "Eligible facility" means a any licensed pari-mutuel facility that meets the requirements of ss. 551.104 and 551.1041 ~~located in Miami-Dade County or Broward County existing at the time of adoption of s. 23, Art. X of the State Constitution that has conducted live racing or games during calendar years 2002 and 2003 and has been approved by a majority of voters in a countywide referendum to have slot machines at such facility in the respective county; any licensed pari-mutuel facility located within a county as defined in s. 125.011, provided such facility has conducted live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required license fee, and meets the other requirements of this chapter; or any licensed pari-mutuel facility in any other county in which a majority of voters have approved slot machines at such facilities in a countywide referendum held pursuant to a statutory or constitutional authorization after the effective date of this section in the respective county, provided such facility has conducted a full schedule of live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required license licensed fee, and meets the other requirements of this chapter.~~



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(10) "Slot machine license" means a license issued by the department ~~division~~ authorizing a pari-mutuel permitholder to place and operate slot machines as provided by s. 23, Art. X of the State Constitution, the provisions of this chapter, and department ~~division~~ rules.

(11) "Slot machine licensee" means a pari-mutuel permitholder that ~~who~~ holds a license issued by the department ~~division~~ pursuant to this chapter which ~~that~~ authorizes the licensee ~~such person~~ to possess a slot machine within facilities as provided in this chapter ~~specified in s. 23, Art. X of the State Constitution~~ and allows slot machine gaming.

Section 31. Section 551.104, Florida Statutes, is amended to read:

551.104 License to conduct slot machine gaming.—

(1) Upon application and a finding by the department ~~division~~ after investigation that the application is complete and the applicant is qualified and payment of the initial license fee, the department ~~division~~ may issue a license to conduct slot machine gaming in the designated slot machine gaming area of the eligible facility. Once licensed, slot machine gaming may be conducted subject to the requirements of this chapter and rules adopted pursuant thereto.

(2) If it is determined that the application would not trigger a reduction in revenue-sharing payments under the Gaming Compact between the Seminole Tribe of Florida and the State of Florida, an application may be approved by the department, ~~but division~~ only for:

(a) A licensed pari-mutuel facility where live racing or games were conducted during calendar years 2002 and 2003 which



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is located in Miami-Dade County or Broward County and is  
authorized for slot machine licensure pursuant to s. 23, Art. X  
of the State Constitution.

(b) A licensed pari-mutuel facility where a full schedule  
of live horseracing has been conducted for 2 consecutive  
calendar years immediately preceding its application for a slot  
machine license and which is located within a county as defined  
in s. 125.011.

(c) A licensed pari-mutuel facility authorized under s.  
551.1041 after the voters of the county where the applicant's  
facility is located have authorized by referendum slot machines  
within pari-mutuel facilities in that county as specified in s.  
23, Art. X of the State Constitution.

(3) A slot machine license may be issued only to a licensed  
pari-mutuel permitholder, and slot machine gaming may be  
conducted only at the eligible facility at which the  
permitholder is authorized under its valid pari-mutuel wagering  
permit to conduct pari-mutuel wagering activities.

(4) As a condition of licensure and to maintain continued  
authority for the conduct of slot machine gaming, the slot  
machine licensee shall:

(a) Continue to be in compliance with this chapter.

(b) Continue to be in compliance with chapter 550, where  
applicable, and maintain the pari-mutuel permit and license in  
good standing pursuant to the provisions of chapter 550.  
~~Notwithstanding any contrary provision of law and in order to  
expedite the operation of slot machines at eligible facilities,  
any eligible facility shall be entitled within 60 days after the  
effective date of this act to amend its 2006-2007 pari-mutuel~~



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~~wagering operating license issued by the division under ss. 550.0115 and 550.01215. The division shall issue a new license to the eligible facility to effectuate any approved change.~~

(c) Conduct ~~no fewer than~~ a full schedule of live racing or games as defined in s. 550.002(11), excluding any. ~~A permitholder's responsibility to conduct such number of live races or games shall be reduced by the number of races or games that could not be conducted as a~~ due to the direct result of fire, war, hurricane, or other disaster or event beyond the control of the permitholder. This paragraph does not apply to a greyhound racing permitholder that conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the 2002-2003 state fiscal year or to a thoroughbred racing permitholder that holds a slot machine license if it has entered into an agreement with another thoroughbred racing permitholder to conduct its race meet at the other thoroughbred racing permitholder's facility.

(d) Upon approval of any changes relating to the pari-mutuel permit by the department ~~division~~, be responsible for providing appropriate current and accurate documentation on a timely basis to the department ~~division~~ in order to continue the slot machine license in good standing. Changes in ownership or interest of a slot machine license of 5 percent or more of the stock or other evidence of ownership or equity in the slot machine license or any parent corporation or other business entity that in any way owns or controls the slot machine license shall be approved by the department ~~division~~ prior to such change, unless the owner is an existing holder of that license who was previously approved by the department ~~division~~. Changes



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in ownership or interest of a slot machine license of less than 5 percent, unless such change results in a cumulative total of 5 percent or more, shall be reported to the department ~~division~~ within 20 days after the change. The department ~~division~~ may then conduct an investigation to ensure that the license is properly updated to show the change in ownership or interest. No reporting is required if the person is holding 5 percent or less equity or securities of a corporate owner of the slot machine licensee that has its securities registered pursuant to s. 12 of the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a-78kk, and if such corporation or entity files with the United States Securities and Exchange Commission the reports required by s. 13 of that act or if the securities of the corporation or entity are regularly traded on an established securities market in the United States. A change in ownership or interest of less than 5 percent which results in a cumulative ownership or interest of 5 percent or more must ~~shall~~ be approved by the department ~~before division~~ ~~prior to~~ such change unless the owner is an existing holder of the license who was previously approved by the department ~~division~~.

(e) Allow the department ~~division~~ and the Department of Law Enforcement unrestricted access to and right of inspection of facilities of a slot machine licensee in which any activity relative to the conduct of slot machine gaming is conducted.

(f) Ensure that the facilities-based computer system that the licensee will use for operational and accounting functions of the slot machine facility is specifically structured to facilitate regulatory oversight. The facilities-based computer system shall be designed to provide the department ~~division~~ and



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the Department of Law Enforcement with the ability to monitor, at any time on a real-time basis, the wagering patterns, payouts, tax collection, and such other operations as necessary to determine whether the facility is in compliance with statutory provisions and rules adopted by the department ~~division~~ for the regulation and control of slot machine gaming. The department ~~division~~ and the Department of Law Enforcement shall have complete and continuous access to this system. Such access shall include the ability of ~~either~~ the department ~~division~~ or the Department of Law Enforcement to suspend play immediately on particular slot machines if monitoring of the system indicates possible tampering or manipulation of those slot machines or the ability to suspend play immediately of the entire operation if the tampering or manipulation is of the computer system itself. The computer system shall be reviewed and approved by the department ~~division~~ to ensure necessary access, security, and functionality. The department ~~division~~ may adopt rules to provide for the approval process.

(g) Ensure that each slot machine is protected from manipulation or tampering to affect the random probabilities of winning plays. The department ~~division~~ or the Department of Law Enforcement may ~~shall have the authority to~~ suspend play upon reasonable suspicion of any manipulation or tampering. When play has been suspended on any slot machine, the department ~~division~~ or the Department of Law Enforcement may examine any slot machine to determine whether the machine has been tampered with or manipulated and whether the machine should be returned to operation.

(h) Submit a security plan, including the facilities' floor



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plan, the locations of security cameras, and a listing of all security equipment that is capable of observing and electronically recording activities being conducted in the facilities of the slot machine licensee. The security plan must meet the minimum security requirements as determined by the department ~~division~~ under s. 551.103(1)(i) and be implemented prior to operation of slot machine gaming. The slot machine licensee's facilities must adhere to the security plan at all times. Any changes to the security plan must be submitted by the licensee to the department before ~~division prior to~~ implementation. The department ~~division~~ shall furnish copies of the security plan and changes in the plan to the Department of Law Enforcement.

(i) Create and file with the department ~~division~~ a written policy for:

1. Creating opportunities to purchase from vendors in this state, including minority vendors.

2. Creating opportunities for employment of residents of this state, including minority residents.

3. Ensuring opportunities for construction services from minority contractors.

4. Ensuring that opportunities for employment are offered on an equal, nondiscriminatory basis.

5. Training for employees on responsible gaming and working with a compulsive or addictive gambling prevention program to further its purposes as provided for in s. 551.118.

6. The implementation of a drug-testing program that includes, but is not limited to, requiring each employee to sign an agreement that he or she understands that the slot machine



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facility is a drug-free workplace.

The slot machine licensee shall use the Internet-based job-listing system of the Department of Economic Opportunity in advertising employment opportunities. ~~Beginning in June 2007,~~ Each slot machine licensee shall provide an annual report to the department division containing information indicating compliance with this paragraph in regard to minority persons.

(j) Ensure that the payout percentage of a slot machine gaming facility is at least 85 percent.

(5) A slot machine license is not transferable.

(6) A slot machine licensee shall keep and maintain permanent daily records of its slot machine operation and shall maintain such records for a period of not less than 5 years. These records must include all financial transactions and contain sufficient detail to determine compliance with the requirements of this chapter. All records shall be available for audit and inspection by the department division, the Department of Law Enforcement, or other law enforcement agencies during the licensee's regular business hours.

(7) A slot machine licensee shall file with the department division a monthly report containing the required records of such slot machine operation. The required reports shall be submitted on forms prescribed by the department division and shall be due at the same time as the monthly pari-mutuel reports are due to the department division, and the reports shall be deemed public records once filed.

(8) A slot machine licensee shall file with the department division an audit of the receipt and distribution of all slot





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machine revenues provided by an independent certified public accountant verifying compliance with all financial and auditing provisions of this chapter and the associated rules adopted under this chapter. The audit must include verification of compliance with all statutes and rules regarding all required records of slot machine operations. Such audit shall be filed within 60 days after the completion of the permitholder's pari-mutuel meet.

(9) The department ~~division~~ may share any information with the Department of Law Enforcement, any other law enforcement agency having jurisdiction over slot machine gaming or pari-mutuel activities, or any other state or federal law enforcement agency the department ~~division~~ or the Department of Law Enforcement deems appropriate. Any law enforcement agency having jurisdiction over slot machine gaming or pari-mutuel activities may share any information obtained or developed by it with the department ~~division~~.

(10)(a)1. No slot machine license or renewal thereof shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of thoroughbred racing unless the applicant has on file with the department ~~division~~ a binding written agreement between the applicant and the Florida Horsemen's Benevolent and Protective Association, Inc., governing the payment of purses on live thoroughbred races conducted at the licensee's pari-mutuel facility. In addition, no slot machine license or renewal thereof shall be issued to such an applicant unless the applicant has on file with the department ~~division~~ a binding written agreement between the applicant and the Florida Thoroughbred Breeders' Association,



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Inc., governing the payment of breeders', stallion, and special racing awards on live thoroughbred races conducted at the licensee's pari-mutuel facility. The agreement governing purses and the agreement governing awards may direct the payment of such purses and awards from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses and awards shall be subject to the terms of chapter 550. All sums for breeders', stallion, and special racing awards shall be remitted monthly to the Florida Thoroughbred Breeders' Association, Inc., for the payment of awards subject to the administrative fee authorized in s. 550.2625(3).

2. No slot machine license or renewal thereof shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of quarter horse racing unless the applicant has on file with the department ~~division~~ a binding written agreement between the applicant and the Florida Quarter Horse Racing Association or the association representing a majority of the horse owners and trainers at the applicant's eligible facility, governing the payment of purses on live quarter horse races conducted at the licensee's pari-mutuel facility. The agreement governing purses may direct the payment of such purses from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses are ~~shall be~~ subject to the terms of chapter 550.

(b) The department ~~division~~ shall suspend a slot machine license if one or more of the agreements required under paragraph (a) are terminated or otherwise cease to operate or if the department ~~division~~ determines that the licensee is



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materially failing to comply with the terms of such an agreement. Any such suspension shall take place in accordance with chapter 120.

(c)1. If an agreement required under paragraph (a) cannot be reached before ~~prior to~~ the initial issuance of the slot machine license, either party may request arbitration or, in the case of a renewal, if an agreement required under paragraph (a) is not in place 120 days prior to the scheduled expiration date of the slot machine license, the applicant shall immediately ask the American Arbitration Association to furnish a list of 11 arbitrators, each of whom shall have at least 5 years of commercial arbitration experience and no financial interest in or prior relationship with any of the parties or their affiliated or related entities or principals. Each required party to the agreement shall select a single arbitrator from the list provided by the American Arbitration Association within 10 days of receipt, and the individuals so selected shall choose one additional arbitrator from the list within the next 10 days.

2. If an agreement required under paragraph (a) is not in place 60 days after the request under subparagraph 1. in the case of an initial slot machine license or, in the case of a renewal, 60 days before ~~prior to~~ the scheduled expiration date of the slot machine license, the matter shall be immediately submitted to mandatory binding arbitration to resolve the disagreement between the parties. The three arbitrators selected pursuant to subparagraph 1. shall constitute the panel that shall arbitrate the dispute between the parties pursuant to the American Arbitration Association Commercial Arbitration Rules and chapter 682.



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3. At the conclusion of the proceedings, which shall be no later than 90 days after the request under subparagraph 1. in the case of an initial slot machine license or, in the case of a renewal, 30 days before ~~prior to~~ the scheduled expiration date of the slot machine license, the arbitration panel shall present to the parties a proposed agreement that the majority of the panel believes equitably balances the rights, interests, obligations, and reasonable expectations of the parties. The parties shall immediately enter into such agreement, which shall satisfy the requirements of paragraph (a) and permit issuance of the pending annual slot machine license or renewal. The agreement produced by the arbitration panel under this subparagraph shall be effective until the last day of the license or renewal period or until the parties enter into a different agreement. Each party shall pay its respective costs of arbitration and shall pay one-half of the costs of the arbitration panel, unless the parties otherwise agree. If the agreement produced by the arbitration panel under this subparagraph remains in place 120 days prior to the scheduled issuance of the next annual license renewal, then the arbitration process established in this paragraph will begin again.

4. ~~If In the event that neither of~~ the agreements required under subparagraph (a)1. or the agreement required under subparagraph (a)2. is not ~~are~~ in place by the deadlines established in this paragraph, arbitration regarding each agreement shall ~~will~~ proceed independently, with separate lists of arbitrators, arbitration panels, arbitration proceedings, and resulting agreements.



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5. With respect to the agreements required under paragraph (a) governing the payment of purses, the arbitration and resulting agreement called for under this paragraph shall be limited to the payment of purses from slot machine revenues only.

(d) If any provision of this subsection or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this subsection or chapter which can be given effect without the invalid provision or application, and to this end the provisions of this subsection are severable.

(e) Each slot machine licensee that does not offer live racing shall withhold 2 percent of its net revenue from slot machines to be deposited into a purse pool to be paid as purses to licensed pari-mutuel facilities offering live racing or games. This paragraph does not apply to slot machine licenses issued pursuant to subsection (1).

Section 32. Section 551.1041, Florida Statutes, is created to read:

551.1041 Additional slot machine licenses.—

(1) An additional slot machine license is authorized and may be issued to a pari-mutuel permitholder for a slot machine facility in Miami-Dade County.

(2) An additional slot machine license is authorized and may be issued to a pari-mutuel permitholder for a slot machine facility in Palm Beach County.

(3) A slot machine license may not be issued under this section until a majority of the voters of the county where the facility is located approve slot machines at the facility in a



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referendum held after July 1, 2016. The referendum may be conducted pursuant to s. 550.0651. If a special election is not held, the referendum shall be conducted at the next general election in that county.

(4) Application for a slot machine license must be made by sealed bid to the department, with the license awarded to the highest bidder. Before the advertisement or notice of bid solicitations, the department shall publish prequalification procedures and requirements that, at minimum, meet the criteria in subsection (5). The department shall adopt by rule the form for the bid. The form shall include the applicant's bid amount and evidence that the applicant meets the prequalification criteria. The bids may not be opened until the day, time, and place designated by the department and provided in the notice, at which time all bids shall be opened at a public meeting pursuant to s. 286.011. Any challenge or protest of the award is subject to s. 120.57(3). Section 120.60(1) does not apply to the bid process established by this section.

(5) At minimum, the prequalification criteria must include:

(a) Evidence that the bidder meets the qualifications in chapters 550 and 551, as applicable; and

(b) Evidence that the bidder has purchased, or entered into an agreement to purchase and transfer, an active pari-mutuel permit with the intent to surrender and void such permit, as provided in s. 550.1751.

(6) To be eligible for a slot machine license under this section, the applicant must submit a minimum bid of \$3 million. If no minimum bids are received, the slot machine license will not be issued and the department may restart the bid process on



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its own initiative or upon the receipt of a petition by a  
potential bidder to start the bid process.

(7) A slot machine licensee who is awarded a license under  
this section may make available for play the following machines:

(a) After the issuance of the initial slot machine license  
and before October 1, 2018, up to a total of 500 slot machines  
and 250 video race terminals.

(b) On or after October 1, 2018, up to a total of 750 slot  
machines and 750 video race terminals.

(8) The following requirements apply to slot machines and  
video race terminals authorized under this section:

(a) A wager on a slot machine or a video race terminal may  
not exceed \$5 per game or race.

(b) Only one game or race may be played at any given time  
on a slot machine or video race terminal, and a player may not  
wager on a new game or race until the previous game or race has  
been completed.

(c) Slot machines and video race terminals may not offer  
games that use tangible playing cards, but may have games that  
use electronic or virtual cards.

(9) As used in subsections (7) and (8), the term "video  
race terminal" means an individual racing terminal linked to a  
central server as part of a network-based video game in which  
the terminals allow pari-mutuel wagering by players on the  
results of previously conducted horse races, but only if the  
game is certified in advance by an independent testing  
laboratory licensed or contracted by the department as complying  
with all of the following requirements:

(a) All data on previously conducted horse races must be



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stored in a secure format on the central server, which must be located at the pari-mutuel facility.

(b) Only horse races that were recorded at licensed pari-mutuel facilities in the United States after January 1, 2005, may be used.

(c) After each wager is placed, the video race terminal must display a video of at least the final seconds of the horse race before any prize is awarded or indicated on the video race terminal.

(d) The display of the video of the horse race must be shown on the video race terminal's video screen.

(e) Mechanical reel displays are prohibited.

(f) A video race terminal may not contain more than one player position for placing wagers.

(g) Coins, currency, or tokens may not be dispensed from a video race terminal.

(h) Prizes must be awarded based solely on the results of a previously conducted horse race, and no additional element of chance may be used. However, a random number generator must be used to select from the central server the race to be displayed to the player(s) and to select numbers or other designations of race entrants that will be used in the various bet types for any "Quick Pick" bets. To prevent an astute player from recognizing the race based on the entrants and thus knowing the results before placing a wager, the entrants of the race may not be identified until after all wagers for that race have been placed.

(10) Each slot machine licensee under this section shall withhold 1 percent of the net revenue from the slot machines and





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video race terminals authorized by this section to be deposited into a purse pool to be paid as purses for thoroughbred horse racing at a licensed pari-mutuel facility that is not authorized to conduct slot machine gaming.

Section 33. Section 551.1042, Florida Statutes, is created to read:

551.1042 Transfer or relocation of slot machine license prohibited.—A slot machine license issued under this chapter may not be transferred or reissued when such reissuance is in the nature of a transfer so as to permit or authorize a licensee to change the location of a slot machine facility.

Section 34. Section 551.106, Florida Statutes, is amended to read:

551.106 License fee; tax rate; penalties.—

(1) LICENSE FEE.—

~~(a) Upon submission of the initial application for a slot machine license and annually thereafter, on the anniversary date of the issuance of the initial license, the licensee must pay to the department division a nonrefundable license fee of \$3 million for the succeeding 12 months of licensure. In the 2010-2011 fiscal year, the licensee must pay the division a nonrefundable license fee of \$2.5 million for the succeeding 12 months of licensure. In the 2011-2012 fiscal year and for every fiscal year thereafter, the licensee must pay the division a nonrefundable license fee of \$2 million for the succeeding 12 months of licensure. The license fee shall be deposited into the Pari-mutuel Wagering Trust Fund of the Department of Business and Professional Regulation to be used by the department division and the Department of Law Enforcement for~~



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investigations, regulation of slot machine gaming, and enforcement of slot machine gaming provisions under this chapter. These payments shall be accounted for separately from taxes or fees paid pursuant to the provisions of chapter 550.

~~(b) Prior to January 1, 2007, the division shall evaluate the license fee and shall make recommendations to the President of the Senate and the Speaker of the House of Representatives regarding the optimum level of slot machine license fees in order to adequately support the slot machine regulatory program.~~

(2) TAX ON SLOT MACHINE REVENUES.—

(a) The tax rate on slot machine revenues at each facility shall be 30 ~~35~~ percent. If, during any state fiscal year, the aggregate amount of tax paid to the state by all slot machine licensees in Broward and Miami-Dade Counties is less than the aggregate amount of tax paid to the state by all slot machine licensees in the 2008-2009 fiscal year, each slot machine licensee shall pay to the state within 45 days after the end of the state fiscal year a surcharge equal to its pro rata share of an amount equal to the difference between the aggregate amount of tax paid to the state by all slot machine licensees in the 2008-2009 fiscal year and the amount of tax paid during the fiscal year. Each licensee's pro rata share shall be an amount determined by dividing the number 1 by the number of facilities licensed to operate slot machines during the applicable fiscal year, regardless of whether the facility is operating such machines.

(b) The slot machine revenue tax imposed by this section shall be paid to the department ~~division~~ for deposit into the Pari-mutuel Wagering Trust Fund for immediate transfer by the



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Chief Financial Officer for deposit into the Educational Enhancement Trust Fund of the Department of Education. Any interest earnings on the tax revenues shall also be transferred to the Educational Enhancement Trust Fund.

(c)1. Funds transferred to the Educational Enhancement Trust Fund under paragraph (b) shall be used to supplement public education funding statewide.

2. If necessary to comply with any covenant established pursuant to s. 1013.68(4), s. 1013.70(1), or s. 1013.737(3), funds transferred to the Educational Enhancement Trust Fund under paragraph (b) shall first be available to pay debt service on lottery bonds issued to fund school construction in the event lottery revenues are insufficient for such purpose or to satisfy debt service reserve requirements established in connection with lottery bonds. Moneys available pursuant to this subparagraph are subject to annual appropriation by the Legislature.

(3) PAYMENT AND DISPOSITION OF TAXES.—Payment for the tax on slot machine revenues imposed by this section shall be paid to the department division. The department division shall deposit these sums with the Chief Financial Officer, to the credit of the Pari-mutuel Wagering Trust Fund. The slot machine licensee shall remit to the department division payment for the tax on slot machine revenues. Such payments shall be remitted by 3 p.m. Wednesday of each week for taxes imposed and collected for the preceding week ending on Sunday. ~~Beginning on July 1, 2012,~~ The slot machine licensee shall remit to the department division payment for the tax on slot machine revenues by 3 p.m. on the 5th day of each calendar month for taxes imposed and collected for the preceding calendar month. If the 5th day of



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the calendar month falls on a weekend, payments shall be remitted by 3 p.m. the first Monday following the weekend. The slot machine licensee shall file a report under oath by the 5th day of each calendar month for all taxes remitted during the preceding calendar month. Such payments shall be accompanied by a report under oath showing all slot machine gaming activities for the preceding calendar month and such other information as may be prescribed by the department division.

(4) TO PAY TAX; PENALTIES.—A slot machine licensee who fails to make tax payments as required under this section is subject to an administrative penalty of up to \$10,000 for each day the tax payment is not remitted. All administrative penalties imposed and collected shall be deposited into the Pari-mutuel Wagering Trust Fund ~~of the Department of Business and Professional Regulation~~. If any slot machine licensee fails to pay penalties imposed by order of the department division under this subsection, the department division may suspend, revoke, or refuse to renew the license of the slot machine licensee.

(5) SUBMISSION OF FUNDS.—The department division may require slot machine licensees to remit taxes, fees, fines, and assessments by electronic funds transfer.

Section 35. Section 551.114, Florida Statutes, is amended to read:

551.114 Slot machine gaming areas.—

(1) A slot machine licensee may make available for play up to 1,700 ~~2,000~~ slot machines within the property of the facilities of the slot machine licensee.

(2) The slot machine licensee shall display pari-mutuel



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2824 races or games within the designated slot machine gaming areas  
2825 and offer patrons within the designated slot machine gaming  
2826 areas the ability to engage in pari-mutuel wagering on any live,  
2827 intertrack, and simulcast races conducted or offered to patrons  
2828 of the licensed facility.

2829 (3) The department ~~division~~ shall require the posting of  
2830 signs warning of the risks and dangers of gambling, showing the  
2831 odds of winning, and informing patrons of the toll-free  
2832 telephone number available to provide information and referral  
2833 services regarding compulsive or problem gambling.

2834 (4) Designated slot machine gaming areas may be located  
2835 within the current live gaming facility or in an existing  
2836 building that must be contiguous and connected to the live  
2837 gaming facility. If a designated slot machine gaming area is to  
2838 be located in a building that is to be constructed, that new  
2839 building must be contiguous and connected to the live gaming  
2840 facility. For a greyhound racing permitholder, jai alai  
2841 permitholder, harness horse racing permitholder, or quarter  
2842 horse permitholder licensed to conduct pari-mutuel activities  
2843 pursuant to a current year's operating license that does not  
2844 require live performances or games, designated slot machine  
2845 gaming areas may be located only within the eligible facility  
2846 for which the initial annual slot machine license was issued.

2847 (5) The permitholder shall provide adequate office space at  
2848 no cost to the department ~~division~~ and the Department of Law  
2849 Enforcement for the oversight of slot machine operations. The  
2850 department ~~division~~ shall adopt rules establishing the criteria  
2851 for adequate space, configuration, and location and needed  
2852 electronic and technological requirements for office space



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required by this subsection.

Section 36. Section 551.116, Florida Statutes, is amended to read:

551.116 Days and hours of operation.—Slot machine gaming areas may be open 24 hours per day, 7 days a week daily throughout the year. ~~The slot machine gaming areas may be open a cumulative amount of 18 hours per day on Monday through Friday and 24 hours per day on Saturday and Sunday and on those holidays specified in s. 110.117(1).~~

Section 37. Subsections (1) and (3) and paragraph (c) of subsection (4) of section 551.121, Florida Statutes, are amended to read:

551.121 Prohibited activities and devices; exceptions.—

(1) Complimentary or reduced-cost alcoholic beverages may ~~not~~ be served to a person ~~persons~~ playing a slot machine. ~~Alcoholic beverages served to persons playing a slot machine shall cost at least the same amount as alcoholic beverages served to the general public at a bar within the facility.~~

(3) A slot machine licensee may ~~not~~ allow any automated teller machine or similar device designed to provide credit or dispense cash to be located within the designated slot machine gaming areas of a facility of a slot machine licensee.

(4)

(c) Outside the designated slot machine gaming areas, a slot machine licensee or operator may accept or cash a check for an employee of the facility who is prohibited from wagering on a slot machine under s. 551.108(5), a check made directly payable to a person licensed by the department ~~division~~, or a check made directly payable to the slot machine licensee or operator from:



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- 2882           1. A pari-mutuel patron; or  
2883           2. A pari-mutuel facility in this state or in another  
2884 state.

2885           Section 38. Present subsections (9) through (17) of section  
2886 849.086, Florida Statutes, are redesignated as subsections (10)  
2887 through (18), respectively, a new subsection (9) is added to  
2888 that section, and subsections (1), (2), (4), (5), (6),  
2889 paragraphs (a), (b), (c), and (f) of subsection (7), subsection  
2890 (8), present subsections (10) through (14), paragraph (b) of  
2891 present subsection (15), and present subsections (16) and (17)  
2892 of that section are amended, to read:

2893           849.086 Cardrooms authorized.—

2894           (1) LEGISLATIVE INTENT.—It is the intent of the Legislature  
2895 to provide additional entertainment choices for the residents of  
2896 and visitors to the state, promote tourism in the state, and  
2897 provide additional state revenues through the authorization of  
2898 the playing of certain games in the state at facilities known as  
2899 cardrooms which are to be located at licensed pari-mutuel  
2900 facilities. To ensure the public confidence in the integrity of  
2901 authorized cardroom operations, this act is designed to strictly  
2902 regulate the facilities, persons, and procedures related to  
2903 cardroom operations. Furthermore, the Legislature finds that  
2904 authorized games of card and dominoes ~~as herein defined~~ are  
2905 considered to be pari-mutuel style games and not casino gaming  
2906 because the participants play against each other instead of  
2907 against the house.

2908           (2) DEFINITIONS.—As used in this section:

2909           (a) "Authorized game" means a game or series of card and  
2910 domino games that ~~of poker or dominoes which~~ are played in



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conformance with this section ~~a nonbanking manner.~~

(b) "Banking game" means a game in which the house is a participant in the game, taking on players, paying winners, and collecting from losers ~~or in which the cardroom establishes a bank against which participants play.~~

(c) "Cardroom" means a facility where authorized games are played for money or anything of value and to which the public is invited to participate in such games and charged a fee for participation by the operator of such facility. Authorized games and cardrooms do not constitute casino gaming operations if conducted at an eligible facility.

(d) "Cardroom management company" means any individual not an employee of the cardroom operator, any proprietorship, partnership, corporation, or other entity that enters into an agreement with a cardroom operator to manage, operate, or otherwise control the daily operation of a cardroom.

(e) "Cardroom distributor" means any business that distributes cardroom paraphernalia such as card tables, betting chips, chip holders, dominoes, dominoes tables, drop boxes, banking supplies, playing cards, card shufflers, and other associated equipment to authorized cardrooms.

(f) "Cardroom operator" means a licensed pari-mutuel permitholder that ~~which~~ holds a valid permit and license issued by the department ~~division~~ pursuant to chapter 550 and which also holds a valid cardroom license issued by the department ~~division~~ pursuant to this section which authorizes such person to operate a cardroom and to conduct authorized games in such cardroom.

(g) "Department" ~~"Division"~~ means ~~the Division of Pari-~~





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~~mutuel Wagering of the Department of Gaming Business and Professional Regulation.~~

(h) "Designated player" means the player identified as the player in the dealer position and seated at a traditional player position in a designated player game and who pays winning players and collects from losing players.

(i) "Designated player game" means a game consisting of at least three cards in which the players compare their cards only to the cards of the designated player.

(j)~~(h)~~ "Dominoes" means a game of dominoes typically played with a set of 28 flat rectangular blocks, called "bones," which are marked on one side and divided into two equal parts, with zero to six dots, called "pips," in each part. The term also includes larger sets of blocks that contain a correspondingly higher number of pips. The term also means the set of blocks used to play the game.

(k)~~(i)~~ "Gross receipts" means the total amount of money received by a cardroom from any person for participation in authorized games.

(l)~~(j)~~ "House" means the cardroom operator and all employees of the cardroom operator.

(m)~~(k)~~ "Net proceeds" means the total amount of gross receipts received by a cardroom operator from cardroom operations less direct operating expenses related to cardroom operations, including labor costs, admission taxes only if a separate admission fee is charged for entry to the cardroom facility, gross receipts taxes imposed on cardroom operators by this section, the annual cardroom license fees imposed by this section on each table operated at a cardroom, and reasonable



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promotional costs excluding officer and director compensation, interest on capital debt, legal fees, real estate taxes, bad debts, contributions or donations, or overhead and depreciation expenses not directly related to the operation of the cardrooms.

(n)~~(l)~~ "Rake" means a set fee or percentage of the pot assessed by a cardroom operator for providing the services of a dealer, table, or location for playing the authorized game.

(o)~~(m)~~ "Tournament" means a series of games that have more than one betting round involving one or more tables and where the winners or others receive a prize or cash award.

(4) AUTHORITY OF DEPARTMENT ~~DIVISION~~.—~~The Division of Pari-mutuel Wagering of the department of Business and Professional Regulation~~ shall administer this section and regulate the operation of cardrooms under this section and the rules adopted pursuant thereto, and is hereby authorized to:

(a) Adopt rules, including, but not limited to: the issuance of cardroom and employee licenses for cardroom operations; the operation of a cardroom and games; recordkeeping and reporting requirements; and the collection of all fees and taxes imposed by this section.

(b) Conduct investigations and monitor the operation of cardrooms and the playing of authorized games at the cardrooms therein.

(c) Review the books, accounts, and records of any current or former cardroom operator.

(d) Suspend or revoke any license or permit, after hearing, for any violation of the provisions of this section or the administrative rules adopted pursuant thereto.

(e) Take testimony, issue summons and subpoenas for any



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witness, and issue subpoenas duces tecum in connection with any matter within its jurisdiction.

(f) Monitor and ensure the proper collection of taxes and fees imposed by this section. Permitholder internal controls are mandated to ensure no compromise of state funds. To that end, a roaming department ~~division~~ auditor will monitor and verify the cash flow and accounting of cardroom revenue for any given operating day.

(5) LICENSE REQUIRED; APPLICATION; FEES.—A ~~No~~ person may not operate a cardroom in this state unless such person holds a valid cardroom license issued pursuant to this section.

(a) Only those persons holding a valid cardroom license issued by the department ~~division~~ may operate a cardroom. A cardroom license may only be issued to a licensed pari-mutuel permitholder, and an authorized cardroom may only be operated at the same facility at which the permitholder is authorized under its valid pari-mutuel wagering permit to conduct pari-mutuel wagering activities if the permitholder offers live racing or games. However, a thoroughbred racing permitholder that holds a slot machine license and has entered into an agreement with another thoroughbred racing permitholder to conduct its race meet at the other thoroughbred racing permitholder's facility may operate a cardroom at the slot facility stated in the permitholder's slot machine license. An initial cardroom license shall be issued to a pari-mutuel permitholder only after its facilities are in place and after it conducts its first day of live racing or games if the permitholder offers live racing or games.

(b) After the initial cardroom license is granted, the



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application for the annual license renewal shall be made in conjunction with the applicant's annual application for its pari-mutuel license. If a permitholder has operated a cardroom during any of the 3 previous fiscal years and fails to include a renewal request for the operation of the cardroom in its annual application for license renewal, the permitholder may amend its annual application to include operation of the cardroom. ~~In order for a cardroom license to be renewed the applicant must have requested, as part of its pari-mutuel annual license application, to conduct at least 90 percent of the total number of live performances conducted by such permitholder during either the state fiscal year in which its initial cardroom license was issued or the state fiscal year immediately prior thereto if the permitholder ran at least a full schedule of live racing or games in the prior year. If the application is for a harness permitholder cardroom, the applicant must have requested authorization to conduct a minimum of 140 live performances during the state fiscal year immediately prior thereto. If more than one permitholder is operating at a facility, each permitholder must have applied for a license to conduct a full schedule of live racing.~~

(c) A greyhound racing permitholder is exempt from the live racing requirements of this subsection if it conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the 1996-1997 state fiscal year or if it converted its permit to a permit to conduct greyhound racing after that fiscal year. However, as a condition of cardroom licensure, greyhound racing permitholders who are not conducting a full schedule of live racing must conduct intertrack wagering



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on thoroughbred signals, to the extent available, on each day of  
cardroom operation.

(d)~~(e)~~ Persons seeking a license or a renewal thereof to  
operate a cardroom shall make application on forms prescribed by  
the department ~~division~~. Applications for cardroom licenses  
shall contain all of the information the department ~~division~~, by  
rule, may determine is required to ensure eligibility.

(e)~~(d)~~ The annual cardroom license fee for each facility  
shall be \$1,000 for each table to be operated at the cardroom.  
The license fee shall be deposited by the department ~~division~~  
with the Chief Financial Officer to the credit of the Pari-  
mutuel Wagering Trust Fund.

(6) BUSINESS AND EMPLOYEE OCCUPATIONAL LICENSE REQUIRED;  
APPLICATION; FEES.—

(a) A person employed or otherwise working in a cardroom as  
a cardroom manager, floor supervisor, pit boss, dealer, or any  
other activity related to cardroom operations while the facility  
is conducting card playing or games of dominoes must hold a  
valid cardroom employee occupational license issued by the  
department ~~division~~. Food service, maintenance, and security  
employees with a current pari-mutuel occupational license and a  
current background check will not be required to have a cardroom  
employee occupational license.

(b) Any cardroom management company or cardroom distributor  
associated with cardroom operations must hold a valid cardroom  
business occupational license issued by the department ~~division~~.

(c) A ~~No~~ licensed cardroom operator may not employ or allow  
to work in a cardroom any person unless such person holds a  
valid occupational license. A ~~No~~ licensed cardroom operator may



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not contract, or otherwise do business with, a business required to hold a valid cardroom business occupational license, unless the business holds such a valid license.

(d) The department ~~division~~ shall establish, by rule, a schedule for the renewal of cardroom occupational licenses. Cardroom occupational licenses are not transferable.

(e) Persons seeking cardroom occupational licenses, or renewal thereof, shall make application on forms prescribed by the department ~~division~~. Applications for cardroom occupational licenses shall contain all of the information the department ~~division~~, by rule, may determine is required to ensure eligibility.

(f) The department ~~division~~ shall adopt rules regarding cardroom occupational licenses. The provisions specified in s. 550.105(4), (5), (6), (7), (8), and (10) relating to licensure shall be applicable to cardroom occupational licenses.

(g) The department ~~division~~ may deny, declare ineligible, or revoke any cardroom occupational license if the applicant or holder thereof has been found guilty or had adjudication withheld in this state or any other state, or under the laws of the United States of a felony or misdemeanor involving forgery, larceny, extortion, conspiracy to defraud, or filing false reports to a government agency, racing or gaming commission or authority.

(h) Fingerprints for all cardroom occupational license applications shall be taken in a manner approved by the department ~~division~~ and ~~then~~ shall be submitted to the ~~Florida~~ Department of Law Enforcement and the Federal Bureau of Investigation for a criminal records check upon initial



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application and at least every 5 years thereafter. The department ~~division~~ may by rule require an annual record check of all renewal applications for a cardroom occupational license. The cost of processing fingerprints and conducting a record check shall be borne by the applicant.

(i) The cardroom employee occupational license fee may ~~shall~~ not exceed \$50 for any 12-month period. The cardroom business occupational license fee may ~~shall~~ not exceed \$250 for any 12-month period.

(7) CONDITIONS FOR OPERATING A CARDROOM.—

(a) A cardroom may be operated only at the location specified on the cardroom license issued by the department ~~division~~, and such location may only be the location at which the pari-mutuel permitholder is authorized to conduct pari-mutuel wagering activities pursuant to such permitholder's valid pari-mutuel permit or as otherwise authorized by law. Cardroom operations may not be allowed beyond the hours provided in paragraph (b) regardless of the number of cardroom licenses issued for permitholders operating at the pari-mutuel facility.

(b) Any cardroom operator may operate a cardroom at the pari-mutuel facility daily throughout the year, if the permitholder meets the requirements under paragraph (5) (b). The cardroom may be open ~~a cumulative amount of 18 hours per day on Monday through Friday and 24 hours per day on Saturday and Sunday and on the holidays specified in s. 110.117(1).~~

(c) For authorized games of poker or dominoes at a cardroom, a cardroom operator must at all times employ and provide a nonplaying live dealer at ~~for~~ each table on which the authorized ~~card~~ games ~~which traditionally use a dealer~~ are



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conducted ~~at the cardroom~~. Such dealers may not have a participatory interest in any game other than the dealing of cards and may not have an interest in the outcome of the game. The providing of such dealers by a licensee does not constitute the conducting of a banking game by the cardroom operator.

(f) The cardroom facility is subject to inspection by the department ~~division~~ or any law enforcement agency during the licensee's regular business hours. The inspection must specifically include the permitholder internal control procedures approved by the department ~~division~~.

(8) METHOD OF WAGERS; LIMITATION.—

(a) ~~No~~ Wagering may not be conducted using money or other negotiable currency. Games may only be played utilizing a wagering system whereby all players' money is first converted by the house to tokens or chips that may ~~which shall~~ be used for wagering only at that specific cardroom.

(b) For authorized games of poker or dominoes, the cardroom operator may limit the amount wagered in any game or series of games.

(c) A tournament shall consist of a series of games. The entry fee for a tournament may be set by the cardroom operator. Tournaments may be played only with tournament chips that are provided to all participants in exchange for an entry fee and any subsequent re-buys. All players must receive an equal number of tournament chips for their entry fee. Tournament chips have no cash value and represent tournament points only. There is no limitation on the number of tournament chips that may be used for a bet except as otherwise determined by the cardroom operator. Tournament chips may never be redeemed for cash or for





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any other thing of value. The distribution of prizes and cash awards must be determined by the cardroom operator before entry fees are accepted. For purposes of tournament play only, the term "gross receipts" means the total amount received by the cardroom operator for all entry fees, player re-buys, and fees for participating in the tournament less the total amount paid to the winners or others as prizes.

(9) DESIGNATED PLAYER GAMES AUTHORIZED.—

(a) A cardroom operator that does not possess slot machines or a slot machine license may offer designated player games consisting of players making wagers against another player. The maximum wager in such games may not exceed \$25.

(b) The designated player must occupy a playing position at the table and may not be required to cover all wagers or cover more than 10 times the minimum posted wager for players seated during a single game.

(c) Each seated player shall be afforded the temporary opportunity to be the designated player to wager against multiple players at the same table, provided that this position is rotated among the other seated players in the game. The opportunity to be a designated player must be offered to each player, in a clockwise rotation, after each hand. The opportunity to be the designated player may be declined by a player. A player participating as a designated player for 30 consecutive hands must subsequently play as a nondesignated player for at least 2 hands before he or she may resume as the designated player.

(d) The cardroom operator may not serve as a designated player in any game. The cardroom operator may not have any



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direct or indirect financial or pecuniary interest in a  
designated player in any game.

(e) A designated player may only wager personal funds or  
funds from a sole proprietorship. A designated player may not be  
directly or indirectly financed or controlled by another party.  
A designated player shall operate independently.

(f) Designated player games offered by a cardroom operator  
may not make up more than 25 percent of the total authorized  
game tables at the cardroom.

(g) Licensed pari-mutuel facilities that offer slot machine  
gaming or video race terminals may not offer designated player  
games.

(h) The department may only approve cardroom operators to  
conduct designated player games only if such games would not  
trigger a reduction in revenue-sharing payments under the Gaming  
Compact between the Seminole Tribe of Florida and the State of  
Florida.

(11)-(10) FEE FOR PARTICIPATION.—The cardroom operator may  
charge a fee for the right to participate in poker or dominoes  
games conducted at the cardroom. Such fee may be either a flat  
fee or hourly rate for the use of a seat at a table or a rake  
subject to the posted maximum amount but may not be based on the  
amount won by players. The rake-off, if any, must be made in an  
obvious manner and placed in a designated rake area which is  
clearly visible to all players. Notice of the amount of the  
participation fee charged shall be posted in a conspicuous place  
in the cardroom and at each table at all times.

(12)-(11) RECORDS AND REPORTS.—

(a) Each licensee operating a cardroom shall keep and



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maintain permanent daily records of its cardroom operation and shall maintain such records for a period of not less than 3 years. These records shall include all financial transactions and contain sufficient detail to determine compliance with the requirements of this section. All records shall be available for audit and inspection by the department ~~division~~ or other law enforcement agencies during the licensee's regular business hours. The information required in such records shall be determined by department ~~division~~ rule.

(b) Each licensee operating a cardroom shall file with the department ~~division~~ a report containing the required records of such cardroom operation. Such report shall be filed monthly by licensees. The required reports shall be submitted on forms prescribed by the department ~~division~~ and shall be due at the same time as the monthly pari-mutuel reports are due to the department. ~~division, and~~ Such reports shall contain any additional information deemed necessary by the department ~~division~~, and the reports shall be deemed public records once filed.

(13) ~~(12)~~ PROHIBITED ACTIVITIES.—

(a) A No person licensed to operate a cardroom may not conduct ~~any banking game or~~ any game not specifically authorized by this section.

(b) A No person under 18 years of age may not be allowed ~~permitted~~ to hold a cardroom or employee license, or ~~to~~ engage in any game conducted in the cardroom ~~therein~~.

(c) With the exception of mechanical card shufflers, ~~No~~ electronic or mechanical devices, ~~except mechanical card shufflers,~~ may not be used to conduct any authorized game in a



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cardroom.

(d) ~~No~~ Cards, game components, or game implements may not be used in playing an authorized game unless such have ~~has~~ been furnished or provided to the players by the cardroom operator.

(14) ~~(13)~~ TAXES AND OTHER PAYMENTS.—

(a) Each cardroom operator shall pay a tax to the state of 10 percent of the cardroom operation's monthly gross receipts.

(b) An admission tax equal to 15 percent of the admission charge for entrance to the licensee's cardroom facility, or 10 cents, whichever is greater, is imposed on each person entering the cardroom. This admission tax applies ~~shall apply~~ only if a separate admission fee is charged for entry to the cardroom facility. If a single admission fee is charged which authorizes entry to both or either the pari-mutuel facility and the cardroom facility, the admission tax shall be payable only once and shall be payable pursuant to chapter 550. The cardroom licensee is ~~shall be~~ responsible for collecting the admission tax. An admission tax is imposed on any free passes or complimentary cards issued to guests by licensees in an amount equal to the tax imposed on the regular and usual admission charge for entrance to the licensee's cardroom facility. A cardroom licensee may issue tax-free passes to its officers, officials, and employees or other persons actually engaged in working at the cardroom, including accredited press representatives such as reporters and editors, and may also issue tax-free passes to other cardroom licensees for the use of their officers and officials. The licensee shall file with the department ~~division~~ a list of all persons to whom tax-free passes are issued.



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(c) Payment of the admission tax and gross receipts tax imposed by this section shall be made paid to the department division. The department division shall deposit these sums with the Chief Financial Officer, one-half being credited to the Pari-mutuel Wagering Trust Fund and one-half being credited to the General Revenue Fund. The cardroom licensee shall remit to the department division payment for the admission tax, the gross receipts tax, and the licensee fees. Such payments shall be remitted to the department division on the fifth day of each calendar month for taxes and fees imposed for the preceding month's cardroom activities. Licensees shall file a report under oath by the fifth day of each calendar month for all taxes remitted during the preceding calendar month. Such report shall, under oath, indicate the total of all admissions, the cardroom activities for the preceding calendar month, and such other information as may be prescribed by the department division.

(d)1. Each greyhound racing permitholder conducting live racing and jai alai permitholder that operates a cardroom facility shall use at least 4 percent of such permitholder's cardroom monthly gross receipts to supplement greyhound purses or jai alai prize money, respectively, during the permitholder's current or next ensuing pari-mutuel meet.

2. Each thoroughbred and harness horse racing permitholder that operates a cardroom facility shall use at least 50 percent of such permitholder's cardroom monthly net proceeds as follows: 47 percent to supplement purses and 3 percent to supplement breeders' awards during the permitholder's next ensuing racing meet.

3. Each harness horse racing permitholder that operates a



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cardroom facility shall use at least 50 percent of such  
permitholder's cardroom monthly net proceeds as follows: 47  
percent to supplement purses and 3 percent to supplement  
breeders' awards during the permitholder's next ensuing racing  
meet if the permitholder offers live races or games.

~~4.3.~~ No cardroom license or renewal thereof shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of quarter horse racing unless the applicant has on file with the department ~~division~~ a binding written agreement between the applicant and the Florida Quarter Horse Racing Association or the association representing a majority of the horse owners and trainers at the applicant's eligible facility, governing the payment of purses on live quarter horse races conducted at the licensee's pari-mutuel facility. The agreement governing purses may direct the payment of such purses from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses shall be subject to the terms of chapter 550.

(e) The failure of any licensee to make payments as prescribed in paragraph (c) is a violation of this section, and the licensee may be subjected by the department ~~division~~ to a civil penalty of up to \$1,000 for each day the tax payment is not remitted. All penalties imposed and collected shall be deposited in the General Revenue Fund. If a licensee fails to pay penalties imposed by order of the department ~~division~~ under this subsection, the department ~~division~~ may suspend or revoke the license of the cardroom operator or deny issuance of any further license to the cardroom operator.

(f) The cardroom shall be deemed an accessory use to a



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licensed pari-mutuel operation and, except as provided in chapter 550, a municipality, county, or political subdivision may not assess or collect any additional license tax, sales tax, or excise tax on such cardroom operation.

(g) All of the moneys deposited in the Pari-mutuel Wagering Trust Fund, except as set forth in paragraph (h), shall be utilized and distributed in the manner specified in s. 550.135(1) and (2). However, cardroom tax revenues shall be kept separate from pari-mutuel tax revenues and may ~~shall~~ not be used for making the disbursement to counties provided in former s. 550.135(1).

(h) One-quarter of the moneys deposited into the Pari-mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by October 1 of each year, be distributed to the local government that approved the cardroom under subsection (17) ~~(16)~~; however, if two or more pari-mutuel racetracks are located within the same incorporated municipality, the cardroom funds shall be distributed to the municipality. If a pari-mutuel facility is situated in such a manner that it is located in more than one county, the site of the cardroom facility shall determine the location for purposes of disbursement of tax revenues under this paragraph. The department ~~division~~ shall, by September 1 of each year, determine: the amount of taxes deposited into the Pari-mutuel Wagering Trust Fund pursuant to this section from each cardroom licensee; the location by county of each cardroom; whether the cardroom is located in the unincorporated area of the county or within an incorporated municipality; and, the total amount to be distributed to each eligible county and municipality.



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(15) ~~(14)~~ SUSPENSION, REVOCATION, OR DENIAL OF LICENSE;  
FINE.—

(a) The department ~~division~~ may deny a license or the renewal thereof, or may suspend or revoke any license, when the applicant has: violated or failed to comply with the provisions of this section or any rules adopted pursuant thereto; knowingly caused, aided, abetted, or conspired with another to cause any person to violate this section or any rules adopted pursuant thereto; or obtained a license or permit by fraud, misrepresentation, or concealment; or if the holder of such license or permit is no longer eligible under this section.

(b) If a pari-mutuel permitholder's pari-mutuel permit or license is suspended or revoked by the department ~~division~~ pursuant to chapter 550, the department ~~division~~ may, but is not required to, suspend or revoke such permitholder's cardroom license. If a cardroom operator's license is suspended or revoked pursuant to this section, the department ~~division~~ may, but is not required to, suspend or revoke such licensee's pari-mutuel permit or license.

(c) Notwithstanding any other provision of this section, the department ~~division~~ may impose an administrative fine not to exceed \$1,000 for each violation against any person who has violated or failed to comply with the provisions of this section or any rules adopted pursuant thereto.

(16) ~~(15)~~ CRIMINAL PENALTY; INJUNCTION.—

(b) The department ~~division~~, any state attorney, the statewide prosecutor, or the Attorney General may apply for a temporary or permanent injunction restraining further violation of this section, and such injunction shall issue without bond.





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(17) ~~(16)~~ LOCAL GOVERNMENT APPROVAL.—The department may  
~~Division of Pari-mutuel Wagering shall~~ not issue any initial  
license under this section except upon proof in such form as the  
department ~~division~~ may prescribe that the local government  
where the applicant for such license desires to conduct cardroom  
gaming has voted to approve such activity by a majority vote of  
the governing body of the municipality or the governing body of  
the county if the facility is not located in a municipality.

(18) ~~(17)~~ CHANGE OF LOCATION; REFERENDUM.—

~~(a)~~ Notwithstanding any provisions of this section, a ~~no~~  
cardroom gaming license issued under this section may not ~~shall~~  
be transferred, or reissued when such reissuance is in the  
nature of a transfer, so as to permit or authorize a licensee to  
change the location of the cardroom ~~except upon proof in such~~  
~~form as the division may prescribe that a referendum election~~  
~~has been held:~~

1. ~~If the proposed new location is within the same county~~  
~~as the already licensed location, in the county where the~~  
~~licensee desires to conduct cardroom gaming and that a majority~~  
~~of the electors voting on the question in such election voted in~~  
~~favor of the transfer of such license. However, the division~~  
~~shall transfer, without requirement of a referendum election,~~  
~~the cardroom license of any permitholder that relocated its~~  
~~permit pursuant to s. 550.0555.~~

2. ~~If the proposed new location is not within the same~~  
~~county as the already licensed location, in the county where the~~  
~~licensee desires to conduct cardroom gaming and that a majority~~  
~~of the electors voting on that question in each such election~~  
~~voted in favor of the transfer of such license.~~



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~~(b) The expense of each referendum held under the provisions of this subsection shall be borne by the licensee requesting the transfer.~~

Section 39. The Department of Gaming shall revoke any permit to conduct pari-mutuel wagering if a permitholder has not conducted live events within the 24 months preceding the effective date of this act, unless the permit was issued under s. 550.3345, Florida Statutes. A permit revoked under this section may not be reissued.

Section 40. Paragraph (f) of subsection (1) and subsection (7) of section 285.710, Florida Statutes, are amended to read:

285.710 Compact authorization.—

(1) As used in this section, the term:

(f) "State compliance agency" means the ~~Division of Pari-mutuel Wagering of the~~ Department of Gaming, ~~Business and Professional Regulation~~ which is designated as the state agency having the authority to carry out the state's oversight responsibilities under the compact.

(7) The ~~Division of Pari-mutuel Wagering of the~~ Department of Gaming ~~Business and Professional Regulation~~ is designated as the state compliance agency having the authority to carry out the state's oversight responsibilities under the compact authorized by this section.

Section 41. Section 550.0115, Florida Statutes, is amended to read:

550.0115 Permitholder license.—After a permit has been issued by the department division, and after the permit has been approved by election, the department division shall issue to the permitholder an annual license to conduct pari-mutuel operations



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at the location specified in the permit pursuant to the provisions of this chapter.

Section 42. Section 550.0235, Florida Statutes, is amended to read:

550.0235 Limitation of civil liability.—~~A~~ ~~No~~ permittee conducting a racing meet pursuant to the provisions of this chapter; a department ~~no division~~ director or an employee of the department ~~division~~; or a ~~and no~~ steward, a judge, or another ~~other~~ person appointed to act pursuant to this chapter is not ~~shall be held~~ liable to any person, partnership, association, corporation, or other business entity for any cause whatsoever arising out of, or from, the performance by such permittee, director, employee, steward, judge, or other person of her or his duties and the exercise of her or his discretion with respect to the implementation and enforcement of the statutes and rules governing the conduct of pari-mutuel wagering, so long as she or he acted in good faith. This section does ~~shall~~ not limit liability in any situation in which the negligent maintenance of the premises or the negligent conduct of a race contributed to an accident and does not; ~~nor shall it~~ limit any contractual liability.

Section 43. Section 550.0351, Florida Statutes, is amended to read:

550.0351 Charity racing days.—

(1) The department ~~division~~ shall, upon the request of a permitholder, authorize each horseracing permitholder, dogracing permitholder, and jai alai permitholder up to five charity or scholarship days in addition to the regular racing days authorized by law.



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(2) The proceeds of charity performances shall be paid to qualified beneficiaries selected by the permitholders from an authorized list of charities on file with the department ~~division~~. Eligible charities include any charity that provides evidence of compliance with the provisions of chapter 496 and evidence of possession of a valid exemption from federal taxation issued by the Internal Revenue Service. In addition, the authorized list must include the Racing Scholarship Trust Fund, the Historical Resources Operating Trust Fund, major state and private institutions of higher learning, and Florida community colleges.

(3) The permitholder shall, within 120 days after the conclusion of its fiscal year, pay to the authorized charities the total of all profits derived from the operation of the charity day performances conducted. If charity days are operated on behalf of another permitholder pursuant to law, the permitholder entitled to distribute the proceeds shall distribute the proceeds to charity within 30 days after the actual receipt of the proceeds.

(4) The total of all profits derived from the conduct of a charity day performance must include all revenues derived from the conduct of that racing performance, including all state taxes that would otherwise be due to the state, except that the daily license fee as provided in s. 550.0951(1) and the breaks for the promotional trust funds as provided in s. 550.2625(3), (4), (5), (7), and (8) shall be paid to the department ~~division~~. All other revenues from the charity racing performance, including the commissions, breaks, and admissions and the revenues from parking, programs, and concessions, shall be



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included in the total of all profits.

(5) In determining profit, the permitholder may elect to distribute as proceeds only the amount equal to the state tax that would otherwise be paid to the state if the charity day were conducted as a regular or matinee performance.

(6) (a) The department ~~division~~ shall authorize one additional scholarship day for horseracing in addition to the regular racing days authorized by law and any additional days authorized by this section, to be conducted at all horse racetracks located in Hillsborough County. The permitholder shall conduct a full schedule of racing on the scholarship day.

(b) The funds derived from the operation of the additional scholarship day shall be allocated as provided in this section and paid to Pasco-Hernando Community College.

(c) When a charity or scholarship performance is conducted as a matinee performance, the department ~~division~~ may authorize the permitholder to conduct the evening performances of that operation day as a regular performance in addition to the regular operating days authorized by law.

(7) In addition to the charity days authorized by this section, any dogracing permitholder may allow its facility to be used for conducting "hound dog derbies" or "mutt derbies" on any day during each racing season by any charitable, civic, or nonprofit organization for the purpose of conducting "hound dog derbies" or "mutt derbies" if only dogs other than those usually used in dogracing (greyhounds) are permitted to race and if adults and minors are allowed to participate as dog owners or spectators. During these racing events, betting, gambling, and the sale or use of alcoholic beverages is prohibited.



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(8) In addition to the eligible charities that meet the criteria set forth in this section, a jai alai permitholder is authorized to conduct two additional charity performances each fiscal year for a fund to benefit retired jai alai players. This performance shall be known as the "Retired Jai Alai Players Charity Day." The administration of this fund shall be determined by rule by the department ~~division~~.

Section 44. Section 550.0651, Florida Statutes, is amended to read:

550.0651 Elections for ratification of permits.—

(1) The holder of any permit may have submitted to the electors of the county designated therein the question whether or not such permit will be ratified or rejected. Such questions shall be submitted to the electors for approval or rejection at a special election to be called for that purpose only. The board of county commissioners of the county designated, upon the presentation to such board at a regular or special meeting of a written application, accompanied by a certified copy of the permit granted by the department ~~division~~, and asking for an election in the county in which the application was made, shall order a special election in the county for the particular purpose of deciding whether such permit shall be approved and license issued and race meetings permitted in such county by such permittee and shall cause the clerk of such board to give notice of the special election by publishing the same once each week for 2 consecutive weeks in one or more newspapers of general circulation in the county. Each permit covering each track must be voted upon separately and in separate elections, and an election may not be called more often than once every 2



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years for the ratification of any permit covering the same track.

(2) All elections ordered under this chapter must be held within 90 days and not less than 21 days after the time of presenting such application to the board of county commissioners, and the inspectors of election shall be appointed and qualified as in cases of general elections, and they shall count the votes cast and make due returns of same to the board of county commissioners without delay. The board of county commissioners shall canvass the returns, declare the results, and cause the same to be recorded as provided in the general law concerning elections so far as applicable.

(3) When a permit has been granted by the department division and no application to the board of county commissioners has been made by the permittee within 6 months after the granting of the permit, the permit becomes void. The department division shall cancel the permit without notice to the permitholder, and the board of county commissioners holding the deposit for the election shall refund the deposit to the permitholder upon being notified by the department division that the permit has become void and has been canceled.

(4) All electors duly registered and qualified to vote at the last preceding general election held in such county are qualified electors for such election, and in addition thereto the registration books for such county shall be opened on the 10th day (if the 10th day is a Sunday or a holiday, then on the next day not a Sunday or holiday) after such election is ordered and called and must remain open for a period of 10 days for additional registrations of persons qualified for registration



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but not already registered. Electors for such special election have the same qualifications for and prerequisites to voting in elections as under the general election laws.

(5) If at any such special election the majority of the electors voting on the question of ratification or rejection of any permit vote against such ratification, such permit is void. If a majority of the electors voting on the question of ratification or rejection of any permit vote for such ratification, such permit becomes effectual and the holder thereof may conduct racing upon complying with the other provisions of this chapter. The board of county commissioners shall immediately certify the results of the election to the department division.

Section 45. Section 550.105, Florida Statutes, is amended to read:

550.105 Occupational licenses of racetrack employees; fees; denial, suspension, and revocation of license; penalties and fines.—

(1) Each person connected with a racetrack or jai alai fronton, as specified in paragraph (2)(a), shall purchase from the department division an occupational license. All moneys collected pursuant to this section each fiscal year shall be deposited into the Pari-mutuel Wagering Trust Fund. Pursuant to the rules adopted by the department division, an occupational license may be valid for a period of up to 3 years for a fee that does not exceed the full occupational license fee for each of the years for which the license is purchased. The occupational license shall be valid during its specified term at any pari-mutuel facility.





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(2)(a) The following licenses shall be issued to persons or entities with access to the backside, racing animals, jai alai players' room, jockeys' room, drivers' room, totalisator room, the mutuels, or money room, or to persons who, by virtue of the position they hold, might be granted access to these areas or to any other person or entity in one of the following categories and with fees not to exceed the following amounts for any 12-month period:

1. Business licenses: any business such as a vendor, contractual concessionaire, contract kennel, business owning racing animals, trust or estate, totalisator company, stable name, or other fictitious name: \$50.

2. Professional occupational licenses: professional persons with access to the backside of a racetrack or players' quarters in jai alai such as trainers, officials, veterinarians, doctors, nurses, emergency medical technicians ~~EMT's~~, jockeys and apprentices, drivers, jai alai players, owners, trustees, or any management or officer or director or shareholder or any other professional-level person who might have access to the jockeys' room, the drivers' room, the backside, racing animals, kennel compound, or managers or supervisors requiring access to mutuels machines, the money room, or totalisator equipment: \$40.

3. General occupational licenses: general employees with access to the jockeys' room, the drivers' room, racing animals, the backside of a racetrack or players' quarters in jai alai, such as grooms, kennel helpers, leadouts, pelota makers, cesta makers, or ball boys, or a practitioner of any other occupation who would have access to the animals, the backside, or the kennel compound, or who would provide the security or



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maintenance of these areas, or mutual employees, totalisator employees, money-room employees, or any employee with access to mutuels machines, the money room, or totalisator equipment or who would provide the security or maintenance of these areas: \$10.

The individuals and entities that are licensed under this paragraph require heightened state scrutiny, including the submission by the individual licensees or persons associated with the entities described in this chapter of fingerprints for a Federal Bureau of Investigation criminal records check.

(b) The department ~~division~~ shall adopt rules pertaining to pari-mutuel occupational licenses, licensing periods, and renewal cycles.

(3) Certified public accountants and attorneys licensed to practice in this state are ~~shall~~ not be required to hold an occupational license under this section while providing accounting or legal services to a permitholder if the certified public accountant's or attorney's primary place of employment is not on the permitholder premises.

(4) It is unlawful to take part in or officiate in any way at any pari-mutuel facility without first having secured a license and paid the occupational license fee.

(5) (a) The department ~~division~~ may:

1. Deny a license to or revoke, suspend, or place conditions upon or restrictions on a license of any person who has been refused a license by any other state racing commission or racing authority;

2. Deny, suspend, or place conditions on a license of any



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person who is under suspension or has unpaid fines in another jurisdiction;

if the state racing commission or racing authority of such other state or jurisdiction extends to the department ~~division~~ reciprocal courtesy to maintain the disciplinary control.

(b) The department ~~division~~ may deny, suspend, revoke, or declare ineligible any occupational license if the applicant for or holder thereof has violated the provisions of this chapter or the rules of the department ~~division~~ governing the conduct of persons connected with racetracks and frontons. In addition, the department ~~division~~ may deny, suspend, revoke, or declare ineligible any occupational license if the applicant for such license has been convicted in this state, in any other state, or under the laws of the United States of a capital felony, a felony, or an offense in any other state which would be a felony under the laws of this state involving arson; trafficking in, conspiracy to traffic in, smuggling, importing, conspiracy to smuggle or import, or delivery, sale, or distribution of a controlled substance; or a crime involving a lack of good moral character, or has had a pari-mutuel license revoked by this state or any other jurisdiction for an offense related to pari-mutuel wagering.

(c) The department ~~division~~ may deny, declare ineligible, or revoke any occupational license if the applicant for such license has been convicted of a felony or misdemeanor in this state, in any other state, or under the laws of the United States, if such felony or misdemeanor is related to gambling or bookmaking, as contemplated in s. 849.25, or involves cruelty to



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animals. If the applicant establishes that she or he is of good moral character, that she or he has been rehabilitated, and that the crime she or he was convicted of is not related to pari-mutuel wagering and is not a capital offense, the restrictions excluding offenders may be waived by the executive director of the department ~~division~~.

(d) For purposes of this subsection, the term "convicted" means having been found guilty, with or without adjudication of guilt, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere. However, the term "conviction" may ~~shall~~ not be applied to a crime committed prior to the effective date of this subsection in a manner that would invalidate any occupational license issued prior to the effective date of this subsection or subsequent renewal for any person holding such a license.

(e) If an occupational license will expire by department ~~division~~ rule during the period of a suspension the department ~~division~~ intends to impose, or if a license would have expired but for pending administrative charges and the occupational licensee is found to be in violation of any of the charges, the license may be revoked and a time period of license ineligibility may be declared. The department ~~division~~ may bring administrative charges against any person not holding a current license for violations of statutes or rules which occurred while such person held an occupational license, and the department ~~division~~ may declare such person ineligible to hold a license for a period of time. The department ~~division~~ may impose a civil fine of up to \$1,000 for each violation of the rules of the department ~~division~~ in addition to or in lieu of any other



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penalty provided for in this section. In addition to any other penalty provided by law, the department ~~division~~ may exclude from all pari-mutuel facilities in this state, for a period not to exceed the period of suspension, revocation, or ineligibility, any person whose occupational license application has been denied by the department ~~division~~, who has been declared ineligible to hold an occupational license, or whose occupational license has been suspended or revoked by the department ~~division~~.

(f) The department ~~division~~ may cancel any occupational license that has been voluntarily relinquished by the licensee.

(6) In order to promote the orderly presentation of pari-mutuel meets authorized in this chapter, the department ~~division~~ may issue a temporary occupational license. The department ~~division~~ shall adopt rules to implement this subsection. However, no temporary occupational license shall be valid for more than 90 days, and no more than one temporary license may be issued for any person in any year.

(7) The department ~~division~~ may deny, revoke, or suspend any occupational license if the applicant therefor or holder thereof accumulates unpaid obligations or defaults in obligations, or issues drafts or checks that are dishonored or for which payment is refused without reasonable cause, if such unpaid obligations, defaults, or dishonored or refused drafts or checks directly relate to the sport of jai alai or racing being conducted at a pari-mutuel facility within this state.

(8) The department ~~division~~ may fine, or suspend or revoke, or place conditions upon, the license of any licensee who under oath knowingly provides false information regarding an



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investigation by the department ~~division~~.

(9) The tax imposed by this section is in lieu of all license, excise, or occupational taxes to the state or any county, municipality, or other political subdivision, except that, if a race meeting or game is held or conducted in a municipality, the municipality may assess and collect an additional tax against any person conducting live racing or games within its corporate limits, which tax may not exceed \$150 per day for horseracing or \$50 per day for dogracing or jai alai. Except as provided in this chapter, a municipality may not assess or collect any additional excise or revenue tax against any person conducting race meetings within the corporate limits of the municipality or against any patron of any such person.

(10) (a) Upon application for an occupational license, the department ~~division~~ may require the applicant's full legal name; any nickname, alias, or maiden name for the applicant; name of the applicant's spouse; the applicant's date of birth, residence address, mailing address, residence address and business phone number, and social security number; disclosure of any felony or any conviction involving bookmaking, illegal gambling, or cruelty to animals; disclosure of any past or present enforcement or actions by any racing or gaming agency against the applicant; and any information the department ~~division~~ determines is necessary to establish the identity of the applicant or to establish that the applicant is of good moral character. Fingerprints shall be taken in a manner approved by the department ~~division~~ and then shall be submitted to the Federal Bureau of Investigation, or to the association of state officials regulating pari-mutuel wagering pursuant to the



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Federal Pari-mutuel Licensing Simplification Act of 1988. The cost of processing fingerprints shall be borne by the applicant and paid to the association of state officials regulating pari-mutuel wagering from the trust fund to which the processing fees are deposited. The department division, by rule, may require additional information from licensees which is reasonably necessary to regulate the industry. The department division may, by rule, exempt certain occupations or groups of persons from the fingerprinting requirements.

(b) All fingerprints required by this section which ~~that~~ are submitted to the Department of Law Enforcement shall be retained by the Department of Law Enforcement and entered into the statewide automated biometric identification system as authorized by s. 943.05(2)(b) and shall be available for all purposes and uses authorized for arrest fingerprints entered into the statewide automated biometric identification system pursuant to s. 943.051.

(c) The Department of Law Enforcement shall search all arrest fingerprints received pursuant to s. 943.051 against the fingerprints retained in the statewide automated biometric identification system under paragraph (b). Any arrest record that is identified with the retained fingerprints of a person subject to the criminal history screening requirements of this section shall be reported to the department division. Each licensee shall pay a fee to the department division for the cost of retention of the fingerprints and the ongoing searches under this paragraph. The department division shall forward the payment to the Department of Law Enforcement. The amount of the fee to be imposed for performing these searches and the



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procedures for the retention of licensee fingerprints shall be as established by rule of the Department of Law Enforcement. The department ~~division~~ shall inform the Department of Law Enforcement of any change in the license status of licensees whose fingerprints are retained under paragraph (b).

(d) The department ~~division~~ shall request the Department of Law Enforcement to forward the fingerprints to the Federal Bureau of Investigation for a national criminal history records check at least once every 5 years following issuance of a license. If the fingerprints of a person who is licensed have not been retained by the Department of Law Enforcement, the person must file a complete set of fingerprints as provided in paragraph (a). The department ~~division~~ shall collect the fees for the cost of the national criminal history records check under this paragraph and forward the payment to the Department of Law Enforcement. The cost of processing fingerprints and conducting a criminal history records check under this paragraph for a general occupational license shall be borne by the applicant. The cost of processing fingerprints and conducting a criminal history records check under this paragraph for a business or professional occupational license shall be borne by the person being checked. The Department of Law Enforcement may send an invoice to the department ~~division~~ for the fingerprints submitted each month. Under penalty of perjury, each person who is licensed or who is fingerprinted as required by this section must agree to inform the department ~~division~~ within 48 hours if he or she is convicted of or has entered a plea of guilty or nolo contendere to any disqualifying offense, regardless of adjudication.





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Section 46. Subsection (1) of section 550.1155, Florida Statutes, is amended to read:

550.1155 Authority of stewards, judges, panel of judges, or player's manager to impose penalties against occupational licensees; disposition of funds collected.—

(1) The stewards at a horse racetrack; the judges at a dog track; or the judges, a panel of judges, or a player's manager at a jai alai fronton may impose a civil penalty against any occupational licensee for violation of the pari-mutuel laws or any rule adopted by the department ~~division~~. The penalty may not exceed \$1,000 for each count or separate offense or exceed 60 days of suspension for each count or separate offense.

Section 47. Subsections (2) and (3) of section 550.125, Florida Statutes, are amended to read:

550.125 Uniform reporting system; bond requirement.—

(2)(a) Each permitholder that conducts race meetings or jai alai exhibitions under this chapter shall keep records that clearly show the total number of admissions and the total amount of money contributed to each pari-mutuel pool on each race or exhibition separately and the amount of money received daily from admission fees and, within 120 days after the end of its fiscal year, shall submit to the department ~~division~~ a complete annual report of its accounts, audited by a certified public accountant licensed to practice in the state.

(b) The department ~~division~~ shall adopt rules specifying the form and content of such reports, including, but not limited to, requirements for a statement of assets and liabilities, operating revenues and expenses, and net worth, which statement must be audited by a certified public accountant licensed to



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practice in this state, and any supporting informational schedule found necessary by the department ~~division~~ to verify the foregoing financial statement, which informational schedule must be attested to under oath by the permitholder or an officer of record, to permit the department ~~division~~ to:

1. Assess the profitability and financial soundness of permitholders, both individually and as an industry;

2. Plan and recommend measures necessary to preserve and protect the pari-mutuel revenues of the state; and

3. Completely identify the holdings, transactions, and investments of permitholders with other business entities.

(c) The Auditor General and the Office of Program Policy Analysis and Government Accountability may, pursuant to their own authority or at the direction of the Legislative Auditing Committee, audit, examine, and check the books and records of any permitholder. These audit reports shall become part of, and be maintained in, the department ~~division~~ files.

(d) The department ~~division~~ shall annually review the books and records of each permitholder and verify that the breaks and unclaimed ticket payments made by each permitholder are true and correct.

(3)(a) Each permitholder to which a license is granted under this chapter, at its own cost and expense, must, before the license is delivered, give a bond in the penal sum of \$50,000 payable to the Governor of the state and her or his successors in office, with a surety or sureties to be approved by the department ~~division~~ and the Chief Financial Officer, conditioned to faithfully make the payments to the Chief Financial Officer in her or his capacity as treasurer of the



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department division; to keep its books and records and make reports as provided; and to conduct its racing in conformity with this chapter. When the greatest amount of tax owed during any month in the prior state fiscal year, in which a full schedule of live racing was conducted, is less than \$50,000, the department division may assess a bond in a sum less than \$50,000. The department division may review the bond for adequacy and require adjustments each fiscal year. The department may division ~~has the authority to~~ adopt rules to implement this paragraph and establish guidelines for such bonds.

(b) The provisions of this chapter concerning bonding do not apply to nonwagering licenses issued pursuant to s. 550.505.

Section 48. Subsections (1) and (3) of section 550.135, Florida Statutes, are amended to read:

550.135 Division of moneys derived under this law.—All moneys that are deposited with the Chief Financial Officer to the credit of the Pari-mutuel Wagering Trust Fund shall be distributed as follows:

(1) The daily license fee revenues collected pursuant to s. 550.0951(1) shall be used to fund the operating cost of the department division ~~and to provide a proportionate share of the operation of the office of the secretary and the Division of Administration of the Department of Business and Professional Regulation~~; however, other collections in the Pari-mutuel Wagering Trust Fund may also be used to fund the operation of the department division in accordance with authorized appropriations.

(3) The slot machine license fee, the slot machine



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occupational license fee, and the compulsive or addictive gambling prevention program fee collected pursuant to ss. 551.106, 551.107(2)(a)1., and 551.118 shall be used to fund the direct and indirect operating expenses of the department's ~~division's~~ slot machine regulation operations and to provide funding for relevant enforcement activities in accordance with authorized appropriations. Funds deposited into the Pari-mutuel Wagering Trust Fund pursuant to ss. 551.106, 551.107(2)(a)1., and 551.118 shall be reserved in the trust fund for slot machine regulation operations. On June 30, any unappropriated funds in excess of those necessary for incurred obligations and subsequent year cash flow for slot machine regulation operations shall be deposited with the Chief Financial Officer to the credit of the General Revenue Fund.

Section 49. Subsection (1) of section 550.155, Florida Statutes, is amended to read:

550.155 Pari-mutuel pool within track enclosure; takeouts; breaks; penalty for purchasing part of a pari-mutuel pool for or through another in specified circumstances.—

(1) Wagering on the results of a horserace, dograce, or on the scores or points of a jai alai game and the sale of tickets or other evidences showing an interest in or a contribution to a pari-mutuel pool are allowed within the enclosure of any pari-mutuel facility licensed and conducted under this chapter but are not allowed elsewhere in this state, must be supervised by the department ~~division~~, and are subject to such reasonable rules that the department ~~division~~ prescribes.

Section 50. Section 550.175, Florida Statutes, is amended to read:



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550.175 Petition for election to revoke permit.—Upon petition of 20 percent of the qualified electors of any county wherein any racing has been licensed and conducted under this chapter, the county commissioners of such county shall provide for the submission to the electors of such county at the then next succeeding general election the question of whether any permit or permits theretofore granted shall be continued or revoked, and if a majority of the electors voting on such question in such election vote to cancel or recall the permit theretofore given, the department ~~division~~ may not thereafter grant any license on the permit so recalled. Every signature upon every recall petition must be signed in the presence of the clerk of the board of county commissioners at the office of the clerk of the circuit court of the county, and the petitioner must present at the time of such signing her or his registration receipt showing the petitioner's qualification as an elector of the county at the time of the signing of the petition. Not more than one permit may be included in any one petition; and, in all elections in which the recall of more than one permit is voted on, the voters shall be given an opportunity to vote for or against the recall of each permit separately. ~~Nothing in This chapter does not shall be construed to~~ prevent the holding of later referendum or recall elections.

Section 51. Section 550.1815, Florida Statutes, is amended to read:

550.1815 Certain persons prohibited from holding racing or jai alai permits; suspension and revocation.—

(1) A corporation, general or limited partnership, sole proprietorship, business trust, joint venture, or unincorporated



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association, or other business entity may not hold any horseracing or dogracing permit or jai alai fronton permit in this state if any one of the persons or entities specified in paragraph (a) has been determined by the department ~~division~~ not to be of good moral character or has been convicted of any offense specified in paragraph (b).

- (a)1. The permitholder;
- 2. An employee of the permitholder;
- 3. The sole proprietor of the permitholder;
- 4. A corporate officer or director of the permitholder;
- 5. A general partner of the permitholder;
- 6. A trustee of the permitholder;
- 7. A member of an unincorporated association permitholder;
- 8. A joint venturer of the permitholder;
- 9. The owner of more than 5 percent of any equity interest in the permitholder, whether as a common shareholder, general or limited partner, voting trustee, or trust beneficiary; or
- 10. An owner of any interest in the permit or permitholder, including any immediate family member of the owner, or holder of any debt, mortgage, contract, or concession from the permitholder, who by virtue thereof is able to control the business of the permitholder.

- (b)1. A felony in this state;
- 2. Any felony in any other state which would be a felony if committed in this state under the laws of this state;
- 3. Any felony under the laws of the United States;
- 4. A felony under the laws of another state if related to gambling which would be a felony under the laws of this state if committed in this state; or



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5. Bookmaking as defined in s. 849.25.

(2)(a) If the applicant for permit as specified under subsection (1) or a permitholder as specified in paragraph (1)(a) has received a full pardon or a restoration of civil rights with respect to the conviction specified in paragraph (1)(b), the conviction does not constitute an absolute bar to the issuance or renewal of a permit or a ground for the revocation or suspension of a permit.

(b) A corporation that has been convicted of a felony is entitled to apply for and receive a restoration of its civil rights in the same manner and on the same grounds as an individual.

(3) After notice and hearing, the department ~~division~~ shall refuse to issue or renew or shall suspend, as appropriate, any permit found in violation of subsection (1). The order shall become effective 120 days after service of the order upon the permitholder and shall be amended to constitute a final order of revocation unless the permitholder has, within that period of time, either caused the divestiture, or agreed with the convicted person upon a complete immediate divestiture, of her or his holding, or has petitioned the circuit court as provided in subsection (4) or, in the case of corporate officers or directors of the holder or employees of the holder, has terminated the relationship between the permitholder and those persons mentioned. The department ~~division~~ may, by order, extend the 120-day period for divestiture, upon good cause shown, to avoid interruption of any jai alai or race meeting or to otherwise effectuate this section. If no action has been taken by the permitholder within the 120-day period following the



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issuance of the order of suspension, the department ~~division~~ shall, without further notice or hearing, enter a final order of revocation of the permit. When any permitholder or sole proprietor of a permitholder is convicted of an offense specified in paragraph (1)(b), the department may approve a transfer of the permit to a qualified applicant, upon a finding that revocation of the permit would impair the state's revenue from the operation of the permit or otherwise be detrimental to the interests of the state in the regulation of the industry of pari-mutuel wagering. In such approval, no public referendum is required, notwithstanding any other provision of law. A petition for transfer after conviction must be filed with the department within 30 days after service upon the permitholder of the final order of revocation. The timely filing of such a petition automatically stays any revocation order until further order of the department.

(4) The circuit courts have jurisdiction to decide a petition brought by a holder of a pari-mutuel permit that shows that its permit is in jeopardy of suspension or revocation under subsection (3) and that it is unable to agree upon the terms of divestiture of interest with the person specified in subparagraphs (1)(a)3.-9. who has been convicted of an offense specified in paragraph (1)(b). The court shall determine the reasonable value of the interest of the convicted person and order a divestiture upon such terms and conditions as it finds just. In determining the value of the interest of the convicted person, the court may consider, among other matters, the value of the assets of the permitholder, its good will and value as a going concern, recent and expected future earnings, and other





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criteria usual and customary in the sale of like enterprises.

(5) The department ~~division~~ shall adopt ~~make~~ such rules for the photographing, fingerprinting, and obtaining of personal data of individuals described in paragraph (1)(a) and the obtaining of such data regarding the business entities described in paragraph (1)(a) as ~~is~~ necessary to implement ~~effectuate~~ the provisions of this section.

Section 52. Subsection (2), paragraph (c) of subsection (3), and subsections (4) and (6) of section 550.24055, Florida Statutes, are amended to read:

550.24055 Use of controlled substances or alcohol prohibited; testing of certain occupational licensees; penalty; evidence of test or action taken and admissibility for criminal prosecution limited.—

(2) The occupational licensees, by applying for and holding such licenses, are deemed to have given their consents to submit to an approved chemical test of their breath for the purpose of determining the alcoholic content of their blood and to a urine or blood test for the purpose of detecting the presence of controlled substances. Such tests shall ~~only~~ be conducted only upon reasonable cause that a violation has occurred as shall be determined solely by the stewards at a horseracing meeting or the judges or board of judges at a dogtrack or jai alai meet. The failure to submit to such test may result in a suspension of the person's occupational license for a period of 10 days or until this section has been complied with, whichever is longer.

(a) If there was at the time of the test 0.05 percent or less by weight of alcohol in the person's blood, the person is presumed not to have been under the influence of alcoholic



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beverages to the extent that the person's normal faculties were impaired, and no action of any sort may be taken by the stewards, judges, or board of judges or the department division.

(b) If there was at the time of the test an excess of 0.05 percent but less than 0.08 percent by weight of alcohol in the person's blood, that fact does not give rise to any presumption that the person was or was not under the influence of alcoholic beverages to the extent that the person's faculties were impaired, but the stewards, judges, or board of judges may consider that fact in determining whether or not the person will be allowed to officiate or participate in any given race or jai alai game.

(c) If there was at the time of the test 0.08 percent or more by weight of alcohol in the person's blood, that fact is prima facie evidence that the person was under the influence of alcoholic beverages to the extent that the person's normal faculties were impaired, and the stewards or judges may take action as set forth in this section, but the person may not officiate at or participate in any race or jai alai game on the day of such test.

All tests relating to alcohol must be performed in a manner substantially similar, or identical, to the provisions of s. 316.1934 and rules adopted pursuant to that section. Following a test of the urine or blood to determine the presence of a controlled substance as defined in chapter 893, if a controlled substance is found to exist, the stewards, judges, or board of judges may take such action as is permitted in this section.

(3) A violation of subsection (2) is subject to the



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following penalties:

(c) If the second violation occurred within 1 year after the first violation, then upon the finding of a third violation of this section within 1 year after the second violation, the stewards, judges, or board of judges may suspend the licensee for up to 120 days; and the stewards, judges, or board of judges shall forward the results of the tests under paragraphs (a) and (b) and this violation to the department ~~division~~. In addition to the action taken by the stewards, judges, or board of judges, the department ~~division~~, after a hearing, may deny, suspend, or revoke the occupational license of the licensee and may impose a civil penalty of up to \$5,000 in addition to, or in lieu of, a suspension or revocation, it being the intent of the Legislature that the department ~~division~~ shall have no authority over the enforcement of this section until a licensee has committed the third violation within 2 years after the first violation.

(4) Section 120.80(19) applies ~~The provisions of s. 120.80(4) (a) apply~~ to all actions taken by the stewards, judges, or board of judges pursuant to this section without regard to the limitation contained therein.

(6) Evidence of any test or actions taken by the stewards, judges, or board of judges or the department ~~division~~ under this section is inadmissible for any purpose in any court for criminal prosecution, it being the intent of the Legislature to provide a method and means by which the health, safety, and welfare of those officiating at or participating in a race meet or a jai alai game are sufficiently protected. However, this subsection does not prohibit any person so authorized from pursuing an independent investigation as a result of a ruling



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made by the stewards, judges, or board of judges, or the  
department division.

Section 53. Section 550.2415, Florida Statutes, is amended  
to read:

550.2415 Racing of animals under certain conditions  
prohibited; penalties; exceptions.—

(1)(a) The racing of an animal that has been impermissibly  
medicated or determined to have a prohibited substance present  
is prohibited. It is a violation of this section for a person to  
impermissibly medicate an animal or for an animal to have a  
prohibited substance present resulting in a positive test for  
such medications or substances based on samples taken from the  
animal before or immediately after the racing of that animal.  
Test results and the identities of the animals being tested and  
of their trainers and owners of record are confidential and  
exempt from s. 119.07(1) and from s. 24(a), Art. I of the State  
Constitution for 10 days after testing of all samples collected  
on a particular day has been completed and any positive test  
results derived from such samples have been reported to the  
director of the department division or administrative action has  
been commenced.

(b) It is a violation of this section for a race-day  
specimen to contain a level of a naturally occurring substance  
which exceeds normal physiological concentrations. The  
department division may solicit input from the Department of  
Agriculture and Consumer Services and adopt rules that specify  
normal physiological concentrations of naturally occurring  
substances in the natural untreated animal and rules that  
specify acceptable levels of environmental contaminants and



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trace levels of substances in test samples.

(c) The finding of a prohibited substance in a race-day specimen constitutes prima facie evidence that the substance was administered and was carried in the body of the animal while participating in the race.

(2) Administrative action may be taken by the department ~~division~~ against an occupational licensee responsible pursuant to rule of the department ~~division~~ for the condition of an animal that has been impermissibly medicated or drugged in violation of this section.

(3)(a) Upon the finding of a violation of this section, the department ~~division~~ may revoke or suspend the license or permit of the violator or deny a license or permit to the violator; impose a fine against the violator in an amount not exceeding the purse or sweepstakes earned by the animal in the race at issue or \$10,000, whichever is greater; require the full or partial return of the purse, sweepstakes, and trophy of the race at issue; or impose against the violator any combination of such penalties. The finding of a violation of this section does not prohibit a prosecution for criminal acts committed.

(b) The department ~~division~~, notwithstanding chapter 120, may summarily suspend the license of an occupational licensee responsible under this section or department ~~division~~ rule for the condition of a race animal if the department's ~~division~~ laboratory reports the presence of a prohibited substance in the animal or its blood, urine, saliva, or any other bodily fluid, either before a race in which the animal is entered or after a race the animal has run.

(c) If an occupational licensee is summarily suspended



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under this section, the department ~~division~~ shall offer the licensee a prompt postsuspension hearing within 72 hours, at which the department ~~division~~ shall produce the laboratory report and documentation that ~~which~~, on its face, establishes the responsibility of the occupational licensee. Upon production of the documentation, the occupational licensee has the burden of proving his or her lack of responsibility.

(d) Any proceeding for administrative action against a licensee or permittee, other than a proceeding under paragraph (c), shall be conducted in compliance with chapter 120.

(4) A prosecution pursuant to this section for a violation of this section must begin within 90 days after the violation was committed. Service of an administrative complaint marks the commencement of administrative action.

(5) The department ~~division~~ shall implement a split-sample procedure for testing animals under this section.

(a) The department ~~division~~ shall notify the owner or trainer, the stewards, and the appropriate horsemen's association of all drug test results. If a drug test result is positive, and upon request by the affected trainer or owner of the animal from which the sample was obtained, the department ~~division~~ shall send the split sample to an approved independent laboratory for analysis. The department ~~division~~ shall establish standards and rules for uniform enforcement and shall maintain a list of at least five approved independent laboratories for an owner or trainer to select from if a drug test result is positive.

(b) If the department ~~division~~ laboratory's findings are not confirmed by the independent laboratory, no further



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administrative or disciplinary action under this section may be pursued.

(c) If the independent laboratory confirms the department ~~division~~ laboratory's positive result, the department ~~division~~ may commence administrative proceedings as prescribed in this chapter and consistent with chapter 120. For purposes of this subsection, the department shall in good faith attempt to obtain a sufficient quantity of the test fluid to allow both a primary test and a secondary test to be made.

(d) For the testing of a racing greyhound, if there is an insufficient quantity of the secondary (split) sample for confirmation of the department ~~division~~ laboratory's positive result, the department ~~division~~ may commence administrative proceedings as prescribed in this chapter and consistent with chapter 120.

(e) For the testing of a racehorse, if there is an insufficient quantity of the secondary (split) sample for confirmation of the department ~~division~~ laboratory's positive result, the department ~~division~~ may not take further action on the matter against the owner or trainer, and any resulting license suspension must be immediately lifted.

(f) The department ~~division~~ shall require its laboratory and the independent laboratories to annually participate in an externally administered quality assurance program designed to assess testing proficiency in the detection and appropriate quantification of medications, drugs, and naturally occurring substances that may be administered to racing animals. The administrator of the quality assurance program shall report its results and findings to the department ~~division~~ and the



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Department of Agriculture and Consumer Services.

(6) (a) It is the intent of the Legislature that animals that participate in races in this state on which pari-mutuel wagering is conducted and animals that are bred and trained in this state for racing be treated humanely, both on and off racetracks, throughout the lives of the animals.

(b) The department ~~division~~ shall, by rule, adopt ~~establish~~ the procedures for euthanizing greyhounds. However, a greyhound may not be put to death by any means other than by lethal injection of the drug sodium pentobarbital. A greyhound may not be removed from this state for the purpose of being destroyed.

(c) It is a violation of this chapter for an occupational licensee to train a greyhound using live or dead animals. A greyhound may not be taken from this state for the purpose of being trained through the use of live or dead animals.

(d) Any act committed by any licensee that would constitute cruelty to animals as defined in s. 828.02 ~~involving any animal~~ constitutes a violation of this chapter. Imposition of any penalty by the department ~~division~~ for violation of this chapter or any rule adopted by the department ~~division~~ pursuant to this chapter does ~~shall~~ not prohibit a criminal prosecution for cruelty to animals.

(e) The department ~~division~~ may inspect any area at a pari-mutuel facility where racing animals are raced, trained, housed, or maintained, including any areas where food, medications, or other supplies are kept, to ensure the humane treatment of racing animals and compliance with this chapter and the rules of the department ~~division~~.

(7) (a) In order to protect the safety and welfare of racing





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animals and the integrity of the races in which the animals participate, the department ~~division~~ shall adopt rules establishing the conditions of use and maximum concentrations of medications, drugs, and naturally occurring substances identified in the Controlled Therapeutic Medication Schedule, Version 2.1, revised April 17, 2014, adopted by the Association of Racing Commissioners International, Inc. Controlled therapeutic medications include only the specific medications and concentrations allowed in biological samples which have been approved by the Association of Racing Commissioners International, Inc., as controlled therapeutic medications.

(b) The department ~~division~~ rules must designate the appropriate biological specimens by which the administration of medications, drugs, and naturally occurring substances is monitored and must determine the testing methodologies, including measurement uncertainties, for screening such specimens to confirm the presence of medications, drugs, and naturally occurring substances.

(c) The department ~~division~~ rules must include a classification system for drugs and substances and a corresponding penalty schedule for violations which incorporates the Uniform Classification Guidelines for Foreign Substances, Version 8.0, revised December 2014, by the Association of Racing Commissioners International, Inc. The department ~~division~~ shall adopt laboratory screening limits approved by the Association of Racing Commissioners International, Inc., for drugs and medications that are not included as controlled therapeutic medications, the presence of which in a sample may result in a violation of this section.



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(d) The department ~~division~~ rules must include conditions for the use of furosemide to treat exercise-induced pulmonary hemorrhage.

(e) The department ~~division~~ may solicit input from the Department of Agriculture and Consumer Services in adopting the rules required under this subsection. Such rules must be adopted before January 1, 2016.

(8) Furosemide is the only medication that may be administered within 24 hours before the officially scheduled post time of a race, but it may not be administered within 4 hours before the officially scheduled post time of a race.

(9) (a) The department ~~division~~ may conduct a postmortem examination of any animal that is injured at a permitted racetrack while in training or in competition and that subsequently expires or is destroyed. The department ~~division~~ may conduct a postmortem examination of any animal that expires while housed at a permitted racetrack, association compound, or licensed kennel or farm. Trainers and owners shall be requested to comply with this paragraph as a condition of licensure.

(b) The department ~~division~~ may take possession of the animal upon death for postmortem examination. The department ~~division~~ may submit blood, urine, other bodily fluid specimens, or other tissue specimens collected during a postmortem examination for testing by the department ~~division~~ laboratory or its designee. Upon completion of the postmortem examination, the carcass must be returned to the owner or disposed of at the owner's option.

(10) The presence of a prohibited substance in an animal, found by the department ~~division~~ laboratory in a bodily fluid



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specimen collected after the race or during the postmortem examination of the animal, which breaks down during a race constitutes a violation of this section.

(11) The cost of postmortem examinations, testing, and disposal must be borne by the department ~~division~~.

(12) The department ~~division~~ shall adopt rules to implement this section.

(13) The department ~~division~~ may implement by rule medication levels for racing greyhounds recommended by the University of Florida College of Veterinary Medicine developed pursuant to an agreement between the department ~~Division of Pari-mutuel Wagering~~ and the University of Florida College of Veterinary Medicine. The University of Florida College of Veterinary Medicine may provide written notification to the department ~~division~~ that it has completed research or review on a particular drug pursuant to the agreement and when the College of Veterinary Medicine has completed a final report of its findings, conclusions, and recommendations to the department ~~division~~.

Section 54. Subsection (4) of section 550.2614, Florida Statutes, is amended to read:

550.2614 Distribution of certain funds to a horsemen's association.—

(4) The department ~~division~~ shall adopt rules to facilitate the orderly transfer of funds in accordance with this section. The department ~~division~~ shall also monitor the membership rolls of the horsemen's association to ensure that complete, accurate, and timely listings are maintained for the purposes specified in this section.



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Section 55. Section 550.2625, Florida Statutes, is amended to read:

550.2625 Horseracing; minimum purse requirement, Florida breeders' and owners' awards.—

(1) The purse structure and the availability of breeder awards are important factors in attracting the entry of well-bred horses in racing meets in this state which in turn helps to produce maximum racing revenues for the state and the counties.

(2) Each permitholder conducting a horserace meet is required to pay from the takeout withheld on pari-mutuel pools a sum for purses in accordance with the type of race performed.

(a) A permitholder conducting a thoroughbred horse race meet under this chapter must pay from the takeout withheld a sum not less than 7.75 percent of all contributions to pari-mutuel pools conducted during the race meet as purses. In addition to the 7.75 percent minimum purse payment, permitholders conducting live thoroughbred performances shall be required to pay as additional purses 0.625 ~~-.625~~ percent of live handle for performances conducted during the period beginning on January 3 and ending March 16; 0.225 ~~-.225~~ percent for performances conducted during the period beginning March 17 and ending May 22; and 0.85 ~~-.85~~ percent for performances conducted during the period beginning May 23 and ending January 2. Except that any thoroughbred permitholder whose total handle on live performances during the 1991-1992 state fiscal year was not greater than \$34 million is not subject to this additional purse payment. A permitholder authorized to conduct thoroughbred racing may withhold from the handle an additional amount equal to 1 percent on exotic wagering for use as owners' awards, and



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may withhold from the handle an amount equal to 2 percent on exotic wagering for use as overnight purses. A ~~No~~ permitholder may not withhold in excess of 20 percent from the handle without withholding the amounts set forth in this subsection.

(b)1. A permitholder conducting a harness horse race meet under this chapter must pay to the purse pool from the takeout withheld a purse requirement that totals an amount not less than 8.25 percent of all contributions to pari-mutuel pools conducted during the race meet. An amount not less than 7.75 percent of the total handle shall be paid from this purse pool as purses.

2. An amount not to exceed 0.5 percent of the total handle on all harness horse races that are subject to the purse requirement of subparagraph 1., must be available for use to provide medical, dental, surgical, life, funeral, or disability insurance benefits for occupational licensees who work at tracks in this state at which harness horse races are conducted. Such insurance benefits must be paid from the purse pool specified in subparagraph 1. An annual plan for payment of insurance benefits from the purse pool, including qualifications for eligibility, must be submitted by the Florida Standardbred Breeders and Owners Association for approval to the department ~~division~~. An annual report of the implemented plan shall be submitted to the department ~~division~~. All records of the Florida Standardbred Breeders and Owners Association concerning the administration of the plan must be available for audit at the discretion of the department ~~division~~ to determine that the plan has been implemented and administered as authorized. If the department ~~division~~ finds that the Florida Standardbred Breeders and Owners Association has not complied with the provisions of this



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section, the department ~~division~~ may order the association to cease and desist from administering the plan and shall appoint the department ~~division~~ as temporary administrator of the plan until the department ~~division~~ reestablishes administration of the plan with the association.

(c) A permitholder conducting a quarter horse race meet under this chapter shall pay from the takeout withheld a sum not less than 6 percent of all contributions to pari-mutuel pools conducted during the race meet as purses.

(d) The department ~~division~~ shall adopt reasonable rules to ensure the timely and accurate payment of all amounts withheld by horserace permitholders regarding the distribution of purses, owners' awards, and other amounts collected for payment to owners and breeders. Each permitholder that fails to pay out all moneys collected for payment to owners and breeders shall, within 10 days after the end of the meet during which the permitholder underpaid purses, deposit an amount equal to the underpayment into a separate interest-bearing account to be distributed to owners and breeders in accordance with department ~~division~~ rules.

(e) An amount equal to 8.5 percent of the purse account generated through intertrack wagering and interstate simulcasting will be used for Florida Owners' Awards as set forth in subsection (3). Any thoroughbred permitholder with an average blended takeout that ~~which~~ does not exceed 20 percent and with an average daily purse distribution excluding sponsorship, entry fees, and nominations exceeding \$225,000 is exempt from the provisions of this paragraph.

(3) Each horseracing permitholder conducting any



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4506 thoroughbred race under this chapter, including any intertrack  
4507 race taken pursuant to ss. 550.615-550.6305 or any interstate  
4508 simulcast taken pursuant to s. 550.3551(3) shall pay a sum equal  
4509 to 0.955 percent on all pari-mutuel pools conducted during any  
4510 such race for the payment of breeders', stallion, or special  
4511 racing awards as authorized in this chapter. This subsection  
4512 also applies to all Breeder's Cup races conducted outside this  
4513 state taken pursuant to s. 550.3551(3). On any race originating  
4514 live in this state which is broadcast out-of-state to any  
4515 location at which wagers are accepted pursuant to s.  
4516 550.3551(2), the host track is required to pay 3.475 percent of  
4517 the gross revenue derived from such out-of-state broadcasts as  
4518 breeders', stallion, or special racing awards. The Florida  
4519 Thoroughbred Breeders' Association is authorized to receive  
4520 these payments from the permitholders and make payments of  
4521 awards earned. The Florida Thoroughbred Breeders' Association  
4522 has the right to withhold up to 10 percent of the permitholder's  
4523 payments under this section as a fee for administering the  
4524 payments of awards and for general promotion of the industry.  
4525 The permitholder shall remit these payments to the Florida  
4526 Thoroughbred Breeders' Association by the 5th day of each  
4527 calendar month for such sums accruing during the preceding  
4528 calendar month and shall report such payments to the department  
4529 ~~division~~ as prescribed by the department ~~division~~. With the  
4530 exception of the 10-percent fee, the moneys paid by the  
4531 permitholders shall be maintained in a separate, interest-  
4532 bearing account, and such payments together with any interest  
4533 earned shall be used exclusively for the payment of breeders',  
4534 stallion, or special racing awards in accordance with the



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following provisions:

(a) The breeder of each Florida-bred thoroughbred horse winning a thoroughbred horse race is entitled to an award of up to, but not exceeding, 20 percent of the announced gross purse, including nomination fees, eligibility fees, starting fees, supplementary fees, and moneys added by the sponsor of the race.

(b) The owner or owners of the sire of a Florida-bred thoroughbred horse that wins a stakes race is entitled to a stallion award of up to, but not exceeding, 20 percent of the announced gross purse, including nomination fees, eligibility fees, starting fees, supplementary fees, and moneys added by the sponsor of the race.

(c) The owners of thoroughbred horses participating in thoroughbred stakes races, nonstakes races, or both may receive a special racing award in accordance with the agreement established pursuant to s. 550.26165(1).

(d) In order for a breeder of a Florida-bred thoroughbred horse to be eligible to receive a breeder's award, the horse must have been registered as a Florida-bred horse with the Florida Thoroughbred Breeders' Association, and the Jockey Club certificate for the horse must show that it has been duly registered as a Florida-bred horse as evidenced by the seal and proper serial number of the Florida Thoroughbred Breeders' Association registry. The Florida Thoroughbred Breeders' Association shall be permitted to charge the registrant a reasonable fee for this verification and registration.

(e) In order for an owner of the sire of a thoroughbred horse winning a stakes race to be eligible to receive a stallion award, the stallion must have been registered with the Florida





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Thoroughbred Breeders' Association, and the breeding of the registered Florida-bred horse must have occurred in this state. The stallion must be standing permanently in this state during the period of time between February 1 and June 15 of each year or, if the stallion is dead, must have stood permanently in this state for a period of not less than 1 year immediately prior to its death. The removal of a stallion from this state during the period of time between February 1 and June 15 of any year for any reason, other than exclusively for prescribed medical treatment, as approved by the Florida Thoroughbred Breeders' Association, renders the owner or owners of the stallion ineligible to receive a stallion award under any circumstances for offspring sired prior to removal; however, if a removed stallion is returned to this state, all offspring sired subsequent to the return make the owner or owners of the stallion eligible for the stallion award but only for those offspring sired subsequent to such return to this state. The Florida Thoroughbred Breeders' Association shall maintain complete records showing the date the stallion arrived in this state for the first time, whether or not the stallion remained in the state permanently, the location of the stallion, and whether the stallion is still standing in this state and complete records showing awards earned, received, and distributed. The association may charge the owner, owners, or breeder a reasonable fee for this service.

(f) A permitholder conducting a thoroughbred horse race under the provisions of this chapter shall, within 30 days after the end of the race meet during which the race is conducted, certify to the Florida Thoroughbred Breeders' Association such



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information relating to the thoroughbred horses winning a stakes or other horserace at the meet as may be required to determine the eligibility for payment of breeders', stallion, and special racing awards.

(g) The Florida Thoroughbred Breeders' Association shall maintain complete records showing the starters and winners in all races conducted at thoroughbred tracks in this state; shall maintain complete records showing awards earned, received, and distributed; and may charge the owner, owners, or breeder a reasonable fee for this service.

(h) The Florida Thoroughbred Breeders' Association shall annually establish a uniform rate and procedure for the payment of breeders' and stallion awards and shall make breeders' and stallion award payments in strict compliance with the established uniform rate and procedure plan. The plan may set a cap on winnings and may limit, exclude, or defer payments to certain classes of races, such as the Florida stallion stakes races, in order to assure that there are adequate revenues to meet the proposed uniform rate. Such plan must include proposals for the general promotion of the industry. Priority shall be placed upon imposing such restrictions in lieu of allowing the uniform rate to be less than 15 percent of the total purse payment. The uniform rate and procedure plan must be approved by the department ~~division~~ before implementation. In the absence of an approved plan and procedure, the authorized rate for breeders' and stallion awards is 15 percent of the announced gross purse for each race. Such purse must include nomination fees, eligibility fees, starting fees, supplementary fees, and moneys added by the sponsor of the race. If the funds in the



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account for payment of breeders' and stallion awards are not sufficient to meet all earned breeders' and stallion awards, those breeders and stallion owners not receiving payments have first call on any subsequent receipts in that or any subsequent year.

(i) The Florida Thoroughbred Breeders' Association shall keep accurate records showing receipts and disbursements of such payments and shall annually file a full and complete report to the department ~~division~~ showing such receipts and disbursements and the sums withheld for administration. The department ~~division~~ may audit the records and accounts of the Florida Thoroughbred Breeders' Association to determine that payments have been made to eligible breeders and stallion owners in accordance with this section.

(j) If the department ~~division~~ finds that the Florida Thoroughbred Breeders' Association has not complied with any provision of this section, the department ~~division~~ may order the association to cease and desist from receiving funds and administering funds received under this section. If the department ~~division~~ enters such an order, the permitholder shall make the payments authorized in this section to the department ~~division~~ for deposit into the Pari-mutuel Wagering Trust Fund; and any funds in the Florida Thoroughbred Breeders' Association account shall be immediately paid to the department ~~Division of Pari-mutuel Wagering~~ for deposit to the Pari-mutuel Wagering Trust Fund. The department ~~division~~ shall authorize payment from these funds to any breeder or stallion owner entitled to an award that has not been previously paid by the Florida Thoroughbred Breeders' Association in accordance with the



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applicable rate.

(4) Each permitholder conducting a harness horse race under this chapter shall pay a sum equal to the breaks on all pari-mutuel pools conducted during that race for the payment of breeders' awards, stallion awards, and stallion stakes and for additional expenditures as authorized in this section. The Florida Standardbred Breeders and Owners Association is authorized to receive these payments from the permitholders and make payments as authorized in this subsection. The Florida Standardbred Breeders and Owners Association has the right to withhold up to 10 percent of the permitholder's payments under this section and under s. 550.2633 as a fee for administering these payments. The permitholder shall remit these payments to the Florida Standardbred Breeders and Owners Association by the 5th day of each calendar month for such sums accruing during the preceding calendar month and shall report such payments to the department division as prescribed by the department division. With the exception of the 10-percent fee for administering the payments and the use of the moneys authorized by paragraph (j), the moneys paid by the permitholders shall be maintained in a separate, interest-bearing account; and such payments together with any interest earned shall be allocated for the payment of breeders' awards, stallion awards, stallion stakes, additional purses, and prizes for, and the general promotion of owning and breeding of, Florida-bred standardbred horses. Payment of breeders' awards and stallion awards shall be made in accordance with the following provisions:

(a) The breeder of each Florida-bred standardbred horse winning a harness horse race is entitled to an award of up to,



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but not exceeding, 20 percent of the announced gross purse, including nomination fees, eligibility fees, starting fees, supplementary fees, and moneys added by the sponsor of the race.

(b) The owner or owners of the sire of a Florida-bred standardbred horse that wins a stakes race is entitled to a stallion award of up to, but not exceeding, 20 percent of the announced gross purse, including nomination fees, eligibility fees, starting fees, supplementary fees, and moneys added by the sponsor of the race.

(c) In order for a breeder of a Florida-bred standardbred horse to be eligible to receive a breeder's award, the horse winning the race must have been registered as a Florida-bred horse with the Florida Standardbred Breeders and Owners Association and a registration certificate under seal for the winning horse must show that the winner has been duly registered as a Florida-bred horse as evidenced by the seal and proper serial number of the United States Trotting Association registry. The Florida Standardbred Breeders and Owners Association shall be permitted to charge the registrant a reasonable fee for this verification and registration.

(d) In order for an owner of the sire of a standardbred horse winning a stakes race to be eligible to receive a stallion award, the stallion must have been registered with the Florida Standardbred Breeders and Owners Association, and the breeding of the registered Florida-bred horse must have occurred in this state. The stallion must be standing permanently in this state or, if the stallion is dead, must have stood permanently in this state for a period of not less than 1 year immediately prior to its death. The removal of a stallion from this state for any



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reason, other than exclusively for prescribed medical treatment, renders the owner or the owners of the stallion ineligible to receive a stallion award under any circumstances for offspring sired prior to removal; however, if a removed stallion is returned to this state, all offspring sired subsequent to the return make the owner or owners of the stallion eligible for the stallion award but only for those offspring sired subsequent to such return to this state. The Florida Standardbred Breeders and Owners Association shall maintain complete records showing the date the stallion arrived in this state for the first time, whether or not the stallion remained in the state permanently, the location of the stallion, and whether the stallion is still standing in this state and complete records showing awards earned, received, and distributed. The association may charge the owner, owners, or breeder a reasonable fee for this service.

(e) A permitholder conducting a harness horse race under this chapter shall, within 30 days after the end of the race meet during which the race is conducted, certify to the Florida Standardbred Breeders and Owners Association such information relating to the horse winning a stakes or other horserace at the meet as may be required to determine the eligibility for payment of breeders' awards and stallion awards.

(f) The Florida Standardbred Breeders and Owners Association shall maintain complete records showing the starters and winners in all races conducted at harness horse racetracks in this state; shall maintain complete records showing awards earned, received, and distributed; and may charge the owner, owners, or breeder a reasonable fee for this service.

(g) The Florida Standardbred Breeders and Owners



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Association shall annually establish a uniform rate and procedure for the payment of breeders' awards, stallion awards, stallion stakes, additional purses, and prizes for, and for the general promotion of owning and breeding of, Florida-bred standardbred horses and shall make award payments and allocations in strict compliance with the established uniform rate and procedure. The plan may set a cap on winnings, and may limit, exclude, or defer payments to certain classes of races, such as the Florida Breeders' stakes races, in order to assure that there are adequate revenues to meet the proposed uniform rate. Priority shall be placed on imposing such restrictions in lieu of allowing the uniform rate allocated to payment of breeder and stallion awards to be less than 10 percent of the total purse payment. The uniform rate and procedure must be approved by the department ~~division~~ before implementation. In the absence of an approved plan and procedure, the authorized rate for breeders' and stallion awards is 10 percent of the announced gross purse for each race. Such purse must include nomination fees, eligibility fees, starting fees, supplementary fees, and moneys added by the sponsor of the race. If the funds in the account for payment of breeders' and stallion awards are not sufficient to meet all earned breeders' and stallion awards, those breeders and stallion owners not receiving payments have first call on any subsequent receipts in that or any subsequent year.

(h) The Florida Standardbred Breeders and Owners Association shall keep accurate records showing receipts and disbursements of such payments and shall annually file a full and complete report to the department ~~division~~ showing such



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receipts and disbursements and the sums withheld for administration. The department ~~division~~ may audit the records and accounts of the Florida Standardbred Breeders and Owners Association to determine that payments have been made to eligible breeders, stallion owners, and owners of Florida-bred standardbred horses in accordance with this section.

(i) If the department ~~division~~ finds that the Florida Standardbred Breeders and Owners Association has not complied with any provision of this section, the department ~~division~~ may order the association to cease and desist from receiving funds and administering funds received under this section and under s. 550.2633. If the department ~~division~~ enters such an order, the permitholder shall make the payments authorized in this section and s. 550.2633 to the department ~~division~~ for deposit into the Pari-mutuel Wagering Trust Fund; and any funds in the Florida Standardbred Breeders and Owners Association account shall be immediately paid to the department ~~division~~ for deposit to the Pari-mutuel Wagering Trust Fund. The department ~~division~~ shall authorize payment from these funds to any breeder, stallion owner, or owner of a Florida-bred standardbred horse entitled to an award that has not been previously paid by the Florida Standardbred Breeders and Owners Association in accordance with the applicable rate.

(j) The board of directors of the Florida Standardbred Breeders and Owners Association may authorize the release of up to 25 percent of the funds available for breeders' awards, stallion awards, stallion stakes, additional purses, and prizes for, and for the general promotion of owning and breeding of, Florida-bred standardbred horses to be used for purses for, and





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promotion of, Florida-bred standardbred horses at race meetings at which there is no pari-mutuel wagering unless, and to the extent that, such release would render the funds available for such awards insufficient to pay the breeders' and stallion awards earned pursuant to the annual plan of the association. Any such funds so released and used for purses are not considered to be an "announced gross purse" as that term is used in paragraphs (a) and (b), and no breeders' or stallion awards, stallion stakes, or owner awards are required to be paid for standardbred horses winning races in meetings at which there is no pari-mutuel wagering. The amount of purses to be paid from funds so released and the meets eligible to receive such funds for purses must be approved by the board of directors of the Florida Standardbred Breeders and Owners Association.

(5) (a) Except as provided in subsections (7) and (8), each permitholder conducting a quarter horse race meet under this chapter shall pay a sum equal to the breaks plus a sum equal to 1 percent of all pari-mutuel pools conducted during that race for supplementing and augmenting purses and prizes and for the general promotion of owning and breeding of racing quarter horses in this state as authorized in this section. The Florida Quarter Horse Breeders and Owners Association is authorized to receive these payments from the permitholders and make payments as authorized in this subsection. The Florida Quarter Horse Breeders and Owners Association, Inc., referred to in this chapter as the Florida Quarter Horse Breeders and Owners Association, has the right to withhold up to 10 percent of the permitholder's payments under this section and under s. 550.2633 as a fee for administering these payments. The permitholder



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shall remit these payments to the Florida Quarter Horse Breeders and Owners Association by the 5th day of each calendar month for such sums accruing during the preceding calendar month and shall report such payments to the department ~~division~~ as prescribed by the department ~~division~~. With the exception of the 5-percent fee for administering the payments, the moneys paid by the permitholders shall be maintained in a separate, interest-bearing account.

(b) The Florida Quarter Horse Breeders and Owners Association shall use these funds solely for supplementing and augmenting purses and prizes and for the general promotion of owning and breeding of racing quarter horses in this state and for general administration of the Florida Quarter Horse Breeders and Owners Association, Inc., in this state.

(c) In order for an owner or breeder of a Florida-bred quarter horse to be eligible to receive an award, the horse winning a race must have been registered as a Florida-bred horse with the Florida Quarter Horse Breeders and Owners Association and a registration certificate under seal for the winning horse must show that the winning horse has been duly registered prior to the race as a Florida-bred horse as evidenced by the seal and proper serial number of the Florida Quarter Horse Breeders and Owners Association registry. The Department of Agriculture and Consumer Services is authorized to assist the association in maintaining this registry. The Florida Quarter Horse Breeders and Owners Association may charge the registrant a reasonable fee for this verification and registration. Any person who registers unqualified horses or misrepresents information in any way shall be denied any future participation in breeders'



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awards, and all horses misrepresented will no longer be deemed to be Florida-bred.

(d) A permitholder conducting a quarter horse race under a quarter horse permit under this chapter shall, within 30 days after the end of the race meet during which the race is conducted, certify to the Florida Quarter Horse Breeders and Owners Association such information relating to the horse winning a stakes or other horserace at the meet as may be required to determine the eligibility for payment of breeders' awards under this section.

(e) The Florida Quarter Horse Breeders and Owners Association shall maintain complete records showing the starters and winners in all quarter horse races conducted under quarter horse permits in this state; shall maintain complete records showing awards earned, received, and distributed; and may charge the owner, owners, or breeder a reasonable fee for this service.

(f) The Florida Quarter Horse Breeders and Owners Association shall keep accurate records showing receipts and disbursements of payments made under this section and shall annually file a full and complete report to the department ~~division~~ showing such receipts and disbursements and the sums withheld for administration. The department ~~division~~ may audit the records and accounts of the Florida Quarter Horse Breeders and Owners Association to determine that payments have been made in accordance with this section.

(g) The Florida Quarter Horse Breeders and Owners Association shall annually establish a plan for supplementing and augmenting purses and prizes and for the general promotion of owning and breeding Florida-bred racing quarter horses and



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shall make award payments and allocations in strict compliance with the annual plan. The annual plan must be approved by the department ~~division~~ before implementation. If the funds in the account for payment of purses and prizes are not sufficient to meet all purses and prizes to be awarded, those breeders and owners not receiving payments have first call on any subsequent receipts in that or any subsequent year.

(h) If the department ~~division~~ finds that the Florida Quarter Horse Breeders and Owners Association has not complied with any provision of this section, the department ~~division~~ may order the association to cease and desist from receiving funds and administering funds received under this section and s. 550.2633. If the department ~~division~~ enters such an order, the permitholder shall make the payments authorized in this section and s. 550.2633 to the department ~~division~~ for deposit into the Pari-mutuel Wagering Trust Fund, and any funds in the Florida Quarter Horse Breeders and Owners Association account shall be immediately paid to the department ~~division~~ for deposit to the Pari-mutuel Wagering Trust Fund. The department ~~division~~ shall authorize payment from these funds to any breeder or owner of a quarter horse entitled to an award that has not been previously paid by the Florida Quarter Horse Breeders and Owners Association pursuant to ~~in accordance with~~ this section.

(6) (a) The takeout may be used for the payment of awards to owners of registered Florida-bred horses placing first in a claiming race, an allowance race, a maiden special race, or a stakes race in which the announced purse, exclusive of entry and starting fees and added moneys, does not exceed \$40,000.

(b) The permitholder shall determine for each qualified



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race the amount of the owners' award for which a registered Florida-bred horse will be eligible. The amount of the available owners' award shall be established in the same manner in which purses are established and shall be published in the condition book for the period during which the race is to be conducted. No single award may exceed 50 percent of the gross purse for the race won.

(c) If the moneys generated under paragraph (a) during the meet exceed the owners' awards earned during the meet, the excess funds shall be held in a separate interest-bearing account, and the total interest and principal shall be used to increase the owners' awards during the permitholder's next meet.

(d) Breeders' awards authorized by subsections (3) and (4) may not be paid on owners' awards.

(e) This subsection governs owners' awards paid on thoroughbred horse races only in this state, unless a written agreement is filed with the department ~~division~~ establishing the rate, procedures, and eligibility requirements for owners' awards, including place of finish, class of race, maximum purse, and maximum award, and the agreement is entered into by the permitholder, the Florida Thoroughbred Breeders' Association, and the association representing a majority of the racehorse owners and trainers at the permitholder's location.

(7) (a) Each permitholder that conducts race meets under this chapter and runs Appaloosa races shall pay to the department ~~division~~ a sum equal to the breaks plus a sum equal to 1 percent of the total contributions to each pari-mutuel pool conducted on each Appaloosa race. The payments shall be remitted to the department ~~division~~ by the 5th day of each calendar month



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for sums accruing during the preceding calendar month.

(b) The department ~~division~~ shall deposit these collections to the credit of the General Inspection Trust Fund in a special account to be known as the "Florida Appaloosa Racing Promotion Account." The Department of Agriculture and Consumer Services shall administer the funds and adopt suitable and reasonable rules for the administration thereof. The moneys in the Florida Appaloosa Racing Promotion Account shall be allocated solely for supplementing and augmenting purses and prizes and for the general promotion of owning and breeding of racing Appaloosas in this state; and the moneys may not be used to defray any expense of the Department of Agriculture and Consumer Services in the administration of this chapter.

(8) Each permitholder that conducts race meets under this chapter and runs Arabian horse races shall pay to the department ~~division~~ a sum equal to the breaks plus a sum equal to 1 percent of the total contributions to each pari-mutuel pool conducted on each Arabian horse race. The payments shall be remitted to the department ~~division~~ by the 5th day of each calendar month for sums accruing during the preceding calendar month.

Section 56. Section 550.26352, Florida Statutes, is amended to read:

550.26352 Breeders' Cup Meet; pools authorized; conflicts; taxes; credits; transmission of races; rules; application.—

(1) Notwithstanding any provision of this chapter to the contrary, there is ~~hereby~~ created a special thoroughbred race meet that ~~which~~ shall be designated as the "Breeders' Cup Meet." The Breeders' Cup Meet shall be conducted at the facility of the Florida permitholder selected by Breeders' Cup Limited to



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conduct the Breeders' Cup Meet. The Breeders' Cup Meet shall consist of 3 days: the day on which the Breeders' Cup races are conducted, the preceding day, and the subsequent day. Upon the selection of the Florida permitholder as host for the Breeders' Cup Meet and application by the selected permitholder, the department ~~division~~ shall issue a license to the selected permitholder to operate the Breeders' Cup Meet. Notwithstanding s. 550.09515(2)(a), the Breeders' Cup Meet may be conducted on dates when ~~which~~ the selected permitholder is not otherwise authorized to conduct a race meet.

(2) The permitholder conducting the Breeders' Cup Meet is specifically authorized to create pari-mutuel pools during the Breeders' Cup Meet by accepting pari-mutuel wagers on the thoroughbred horse races run during the ~~said~~ meet.

(3) If the permitholder conducting the Breeders' Cup Meet is located within 35 miles of one or more permitholders scheduled to conduct a thoroughbred race meet on any of the 3 days of the Breeders' Cup Meet, then operation on any of those 3 days by the other permitholders is prohibited. As compensation for the loss of racing days caused thereby, such operating permitholders shall receive a credit against the taxes otherwise due and payable to the state under ss. 550.0951 and 550.09515. This credit shall be in an amount equal to the operating loss determined to have been suffered by the operating permitholders as a result of not operating on the prohibited racing days, but may ~~shall~~ not exceed a total of \$950,000. The determination of the amount to be credited shall be made by the department ~~division~~ upon application by the operating permitholder. The tax credits provided in this subsection are ~~shall~~ not be available



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unless an operating permitholder is required to close a bona fide meet consisting in part of no fewer than 10 scheduled performances in the 15 days immediately preceding or 10 scheduled performances in the 15 days immediately following the Breeders' Cup Meet. Such tax credit shall be in lieu of any other compensation or consideration for the loss of racing days. There shall be no replacement or makeup of any lost racing days.

(4) Notwithstanding any provision of ss. 550.0951 and 550.09515, the permitholder conducting the Breeders' Cup Meet shall pay no taxes on the handle included in ~~within~~ the permitholder's pari-mutuel pools ~~of said permitholder~~ during the Breeders' Cup Meet.

(5) The permitholder conducting the Breeders' Cup Meet shall receive a credit against the taxes otherwise due and payable to the state under ss. 550.0951 and 550.09515 generated during the ~~said~~ permitholder's next ensuing regular thoroughbred race meet. This credit shall be in an amount not to exceed \$950,000 and shall be used ~~utilized~~ by the permitholder to pay the purses offered by the permitholder during the Breeders' Cup Meet in excess of the purses that ~~which~~ the permitholder is otherwise required by law to pay. The amount to be credited shall be determined by the department ~~division~~ upon application of the permitholder which is subject to audit by the department ~~division~~.

(6) The permitholder conducting the Breeders' Cup Meet shall receive a credit against the taxes otherwise due and payable to the state under ss. 550.0951 and 550.09515 generated during the ~~said~~ permitholder's next ensuing regular thoroughbred race meet. This credit shall be in an amount not to exceed





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\$950,000 and shall be utilized by the permitholder for such capital improvements and extraordinary expenses as may be necessary for operation of the Breeders' Cup Meet. The amount to be credited shall be determined by the department ~~division~~ upon application of the permitholder which is subject to audit by the department ~~division~~.

(7) The permitholder conducting the Breeders' Cup Meet is ~~shall be~~ exempt from the payment of purses and other payments to horsemen on all on-track, intertrack, interstate, and international wagers or rights fees or payments arising therefrom for all races for which the purse is paid or supplied by Breeders' Cup Limited. The permitholder conducting the Breeders' Cup Meet is ~~shall~~ not, however, ~~be~~ exempt from breeders' awards payments for on-track and intertrack wagers as provided in ss. 550.2625(3) and 550.625(2)(a) for races in which the purse is paid or supplied by Breeders' Cup Limited.

(8)(a) Pursuant to s. 550.3551(2), the permitholder conducting the Breeders' Cup Meet may ~~is authorized to~~ transmit broadcasts of the races conducted during the Breeders' Cup Meet to locations outside ~~of~~ this state for wagering purposes. The department ~~division~~ may approve broadcasts to pari-mutuel permitholders and other betting systems authorized under the laws of any other state or country. Wagers accepted by any out-of-state pari-mutuel permitholder or betting system on any races broadcast under this section may be, but are not required to be, commingled with the pari-mutuel pools of the permitholder conducting the Breeders' Cup Meet. The calculation of any payoff on national pari-mutuel pools with commingled wagers may be performed by the permitholder's totalisator contractor at a



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location outside ~~of~~ this state. Pool amounts from wagers placed at pari-mutuel facilities or other betting systems in foreign countries before being commingled with the pari-mutuel pool of the Florida permitholder conducting the Breeders' Cup Meet shall be calculated by the totalisator contractor and transferred to the commingled pool in United States currency in cycles customarily used by the permitholder. Pool amounts from wagers placed at any foreign pari-mutuel facility or other betting system may ~~shall~~ not be commingled with a Florida pool until a determination is made by the department ~~division~~ that the technology utilized by the totalisator contractor is adequate to assure commingled pools will result in the calculation of accurate payoffs to Florida bettors. Any totalisator contractor at a location outside ~~of~~ this state shall comply with the provisions of s. 550.495 relating to totalisator licensing.

(b) The permitholder conducting the Breeders' Cup Meet may ~~is authorized to~~ transmit broadcasts of the races conducted during the Breeders' Cup Meet to other pari-mutuel facilities located in this state for wagering purposes; however, the permitholder conducting the Breeders' Cup Meet is ~~shall~~ not ~~be~~ required to transmit broadcasts to any pari-mutuel facility located within 25 miles of the facility at which the Breeders' Cup Meet is conducted.

(9) The exemption from the tax credits provided in subsections (5) and (6) may ~~shall~~ not be granted and may ~~shall~~ not be claimed by the permitholder until an audit is completed by the department ~~division~~. The department ~~division~~ is required to complete the audit within 30 days of receipt of the necessary documentation from the permitholder to verify the permitholder's



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claim for tax credits. If the documentation submitted by the permitholder is incomplete or is insufficient to document the permitholder's claim for tax credits, the department ~~division~~ may request such additional documentation as is necessary to complete the audit. Upon receipt of the department's ~~division's~~ written request for additional documentation, the 30-day time limitation will commence anew.

(10) The department ~~may division is authorized to~~ adopt such rules ~~as are necessary~~ to facilitate the conduct of the Breeders' Cup Meet, including ~~as authorized in this section.~~ ~~Included within this grant of authority shall be the adoption or waiver of~~ rules regarding the overall conduct of racing during the Breeders' Cup Meet so as to ensure the integrity of the races, licensing for all participants, special stabling and training requirements for foreign horses, commingling of pari-mutuel pools, and audit requirements for tax credits and other benefits.

(11) Any dispute between the department ~~division~~ and any permitholder regarding the tax credits authorized under subsection (3), subsection (5), or subsection (6) shall be determined by a hearing officer of the Division of Administrative Hearings under the provisions of s. 120.57(1).

(12) ~~The provisions of~~ This section prevails ~~shall prevail~~ over any conflicting provisions of this chapter.

Section 57. Section 550.2704, Florida Statutes, is amended to read:

550.2704 Jai Alai Tournament of Champions Meet.—

(1) Notwithstanding any provision of this chapter, there is ~~hereby~~ created a special jai alai meet that ~~which~~ shall be



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designated as the "Jai Alai Tournament of Champions Meet" and  
~~which~~ shall be hosted by the Florida jai alai permitholders  
selected by the National Association of Jai Alai Frontons, Inc.,  
to conduct such meet. The meet shall consist of three qualifying  
performances and a final performance, each of which is to be  
conducted on different days. Upon the selection of the Florida  
permitholders for the meet, and upon application by the selected  
permitholders, the department ~~Division of Pari-mutuel Wagering~~  
shall issue a license to each of the selected permitholders to  
operate the meet. The meet may be conducted during a season in  
which the permitholders selected to conduct the meet are not  
otherwise authorized to conduct a meet. Notwithstanding anything  
herein to the contrary, any Florida permitholder who is to  
conduct a performance that ~~which~~ is a part of the Jai Alai  
Tournament of Champions Meet is ~~shall~~ not be required to apply  
for the license for the ~~said~~ meet if it is to be run during the  
regular season for which such permitholder has a license.

(2) Qualifying performances and the final performance of  
the tournament shall be held at different locations throughout  
the state, and the permitholders selected shall be under  
different ownership to the extent possible.

(3) Notwithstanding any provision of this chapter, each of  
the permitholders licensed to conduct performances comprising  
the Jai Alai Tournament of Champions Meet shall pay no taxes on  
handle under s. 550.0951 or s. 550.09511 for any performance  
conducted by such permitholder as part of the Jai Alai  
Tournament of Champions Meet. The provisions of this subsection  
shall apply to a maximum of four performances.

(4) The Jai Alai Tournament of Champions Meet permitholders



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shall also receive a credit against the taxes, otherwise due and payable under s. 550.0951 or s. 550.09511, generated during the ~~said~~ permitholders' current regular meet. This credit shall be in the aggregate amount of \$150,000, shall be prorated equally between the permitholders, and shall be used ~~utilized~~ by the permitholders solely to supplement awards for the performance conducted during the Jai Alai Tournament of Champions Meet. All awards shall be paid to the tournament's participating players no later than 30 days following the conclusion of the ~~said~~ Jai Alai Tournament of Champions Meet.

(5) In addition to the credit authorized in subsection (4), the Jai Alai Tournament of Champions Meet permitholders shall receive a credit against the taxes, otherwise due and payable under s. 550.0951 or s. 550.09511, generated during the ~~said~~ permitholders' current regular meet, in an amount not to exceed the aggregate amount of \$150,000, which shall be prorated equally between the permitholders, and shall be used ~~utilized~~ by the permitholders for such capital improvements and extraordinary expenses, including marketing expenses, as may be necessary for the operation of the meet. The determination of the amount to be credited shall be made by the department ~~division~~ upon application by the ~~of said~~ permitholders.

(6) The permitholder ~~is shall be~~ entitled to a said ~~permitholder's~~ pro rata share of the \$150,000 tax credit provided in subsection (5) without having to make application, so long as appropriate documentation to substantiate the ~~said~~ expenditures thereunder is provided to the department ~~division~~ within 30 days following said Jai Alai Tournament of Champions Meet.



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(7) ~~A~~ No Jai Alai Tournament of Champions Meet may not  
~~shall~~ exceed 4 days in any state fiscal year, and only ~~no more~~  
~~than~~ one performance may ~~shall~~ be conducted on any one day of  
the meet. ~~There shall be~~ Only one Jai Alai Tournament of  
Champions Meet may occur in any state fiscal year.

(8) The department may ~~division is authorized to~~ adopt such  
rules ~~as are~~ necessary to facilitate the conduct of the Jai Alai  
Tournament of Champions Meet, including ~~as authorized in this~~  
~~section. Included within this grant of authority shall be the~~  
~~adoption of~~ rules regarding the overall conduct of the  
tournament so as to ensure the integrity of the event, licensing  
for participants, commingling of pari-mutuel pools, and audit  
requirements for tax credits and exemptions.

(9) ~~The provisions of~~ This section prevails ~~shall prevail~~  
over any conflicting provisions of this chapter.

Section 58. Subsections (3) and (5) of section 550.334,  
Florida Statutes, are amended to read:

550.334 Quarter horse racing; substitutions.—

(3) Quarter horses participating in such races must be duly  
registered by the American Quarter Horse Association, and before  
each race such horses must be examined and declared in fit  
condition by a qualified person designated by the department  
~~division~~.

(5) Any quarter horse racing permitholder operating under a  
valid permit issued by the department ~~division~~ is authorized to  
substitute races of other breeds of horses which are,  
respectively, registered with the American Paint Horse  
Association, Appaloosa Horse Club, Arabian Horse Registry of  
America, Palomino Horse Breeders of America, United States



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Trotting Association, Florida Cracker Horse Association, or Jockey Club for no more than 50 percent of the quarter horse races during its meet.

Section 59. Section 550.3355, Florida Statutes, is amended to read:

550.3355 Harness track licenses for summer quarter horse racing.—Any harness track licensed to operate under the provisions of s. 550.375 may make application for, and shall be issued by the department ~~division~~, a license to operate not more than 50 quarter horse racing days during the summer season, which shall extend from July 1 until October 1 of each year. However, this license to operate quarter horse racing for 50 days is in addition to the racing days and dates provided in s. 550.375 for harness racing during the winter seasons; and, it does not affect the right of such licensee to operate harness racing at the track as provided in s. 550.375 during the winter season. All provisions of this chapter governing quarter horse racing not in conflict herewith apply to the operation of quarter horse meetings authorized hereunder, except that all quarter horse racing permitted hereunder shall be conducted at night.

Section 60. Subsections (3), (4), and (5) of section 550.3615, Florida Statutes, are amended to read:

550.3615 Bookmaking on the grounds of a permitholder; penalties; reinstatement; duties of track employees; penalty; exceptions.—

(3) Any person who has been convicted of bookmaking in this state or any other state of the United States or any foreign country shall be denied admittance to and may ~~shall~~ not attend



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any racetrack or fronton in this state during its racing seasons or operating dates, including any practice or preparational days, for a period of 2 years after the date of conviction or the date of final appeal. Following the conclusion of the period of ineligibility, the department ~~director of the division~~ may authorize the reinstatement of an individual following a hearing on readmittance. Any such person who knowingly violates this subsection commits ~~is guilty of~~ a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(4) If the activities of a person show that this law is being violated, and such activities are either witnessed or are common knowledge by any track or fronton employee, it is the duty of that employee to bring the matter to the immediate attention of the permittholder, manager, or her or his designee, who shall notify a law enforcement agency having jurisdiction. Willful failure on the part of any track or fronton employee to comply with ~~the provisions of~~ this subsection is a ground for the department ~~division~~ to suspend or revoke that employee's license for track or fronton employment.

(5) Each permittee shall display, in conspicuous places at a track or fronton and in all race and jai alai daily programs, a warning to all patrons concerning the prohibition and penalties of bookmaking contained in this section and s. 849.25. The department ~~division~~ shall adopt rules concerning the uniform size of all warnings and the number of placements throughout a track or fronton. Failure on the part of the permittee to display such warnings may result in the imposition of a \$500 fine by the department ~~division~~ for each offense.

Section 61. Section 550.495, Florida Statutes, is amended





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to read:

550.495 Totalisator licensing.—

(1) A totalisator may not be operated at a pari-mutuel facility in this state, or at a facility located in or out of this state which is used as the primary totalisator for a race or game conducted in this state, unless the totalisator company possesses a business license issued by the department ~~division~~.

(2) (a) Each totalisator company must apply to the department ~~division~~ for an annual business license. The application must include such information as the department ~~division~~ by rule requires.

(b) As a part of its license application, each totalisator company must agree in writing to pay to the department ~~division~~ an amount equal to the loss of any state revenues from missed or canceled races, games, or performances due to acts of the totalisator company or its agents or employees or failures of the totalisator system, except for circumstances beyond the control of the totalisator company or agent or employee, as determined by the department ~~division~~.

(c) Each totalisator company must file with the department ~~division~~ a performance bond, acceptable to the department ~~division~~, in the sum of \$250,000 issued by a surety approved by the department ~~division~~ or must file proof of insurance, acceptable to the department ~~division~~, against financial loss in the amount of \$250,000, insuring the state against such a revenue loss.

(d) In the event of a loss of state tax revenues, the department ~~division~~ shall determine:

1. The estimated revenue lost as a result of missed or



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5289 canceled races, games, or performances;

5290 2. The number of races, games, or performances which is  
5291 practicable for the permitholder to conduct in an attempt to  
5292 mitigate the revenue loss; and

5293 3. The amount of the revenue loss which the makeup races,  
5294 games, or performances will not recover and for which the  
5295 totalisator company is liable.

5296 (e) Upon the making of such determinations, the department  
5297 ~~division~~ shall issue to the totalisator company and to the  
5298 affected permitholder an order setting forth the determinations  
5299 of the department ~~division~~.

5300 (f) If the order is contested by either the totalisator  
5301 company or any affected permitholder, ~~the provisions of~~ chapter  
5302 120 applies ~~apply~~. If the totalisator company contests the order  
5303 on the grounds that the revenue loss was due to circumstances  
5304 beyond its control, the totalisator company has the burden of  
5305 proving that circumstances vary in fact beyond its control. For  
5306 purposes of this paragraph, strikes and acts of God are beyond  
5307 the control of the totalisator company.

5308 (g) Upon the failure of the totalisator company to make the  
5309 payment found to be due the state, the department ~~division~~ may  
5310 cause the forfeiture of the bond or may proceed against the  
5311 insurance contract, and the proceeds of the bond or contract  
5312 shall be deposited into the Pari-mutuel Wagering Trust Fund. If  
5313 that bond was not posted or insurance obtained, the department  
5314 ~~division~~ may proceed against any assets of the totalisator  
5315 company to collect the amounts due under this subsection.

5316 (3) If the applicant meets the requirements of this section  
5317 and department ~~division~~ rules and pays the license fee, the



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department must ~~division shall~~ issue the license.

(4) Each totalisator company shall conduct operations in accordance with rules adopted by the department ~~division~~, in such form, content, and frequency as the department ~~division~~ by rule determines.

(5) The department ~~division~~ and its representatives may enter and inspect any area of the premises of a licensed totalisator company, and may examine totalisator records, during the licensee's regular business or operating hours.

Section 62. Section 550.505, Florida Statutes, is amended to read:

550.505 Nonwagering permits.—

(1)(a) Except as provided in this section, permits and licenses issued by the department ~~division~~ are intended to be used for pari-mutuel wagering operations in conjunction with horseraces, dograces, or jai alai performances.

(b) Subject to the requirements of this section, the department may ~~division is authorized to~~ issue permits for the conduct of horseracing meets without pari-mutuel wagering or any other form of wagering being conducted in conjunction therewith. Such permits shall be known as nonwagering permits and may be issued only for horseracing meets. A horseracing permitholder need not obtain an additional permit from the department ~~division~~ for conducting nonwagering racing under this section, but must apply to the department ~~division~~ for the issuance of a license under this section. The holder of a nonwagering permit is prohibited from conducting pari-mutuel wagering or any other form of wagering in conjunction with racing conducted under the permit. ~~Nothing in~~ This subsection does not prohibit ~~prohibits~~



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horseracing for any stake, purse, prize, or premium.

(c) The holder of a nonwagering permit is exempt from ~~the provisions of~~ s. 550.105 and is exempt from the imposition of daily license fees and admission tax.

(2) (a) Any person not prohibited from holding any type of pari-mutuel permit under s. 550.1815 ~~may shall be allowed to~~ apply to the department ~~division~~ for a nonwagering permit. The applicant must demonstrate that the location or locations where the nonwagering permit will be used are available for such use and that the applicant has the financial ability to satisfy the reasonably anticipated operational expenses of the first racing year following final issuance of the nonwagering permit. If the racing facility is already built, the application must contain a statement, with reasonable supporting evidence, that the nonwagering permit will be used for horseracing within 1 year after the date on which it is granted. If the facility is not already built, the application must contain a statement, with reasonable supporting evidence, that substantial construction will be started within 1 year after the issuance of the nonwagering permit.

(b) The department ~~division~~ may conduct an eligibility investigation to determine if the applicant meets the requirements of paragraph (a).

(3) (a) Upon receipt of a nonwagering permit, the permitholder must apply to the department ~~division~~ before June 1 of each year for an annual nonwagering license for the next succeeding calendar year. Such application must set forth the days and locations at which the permitholder will conduct nonwagering horseracing and must indicate any changes in



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ownership or management of the permitholder occurring since the date of application for the prior license.

(b) On or before August 1 of each year, the department ~~division~~ shall issue a license authorizing the nonwagering permitholder to conduct nonwagering horseracing during the succeeding calendar year during the period and for the number of days set forth in the application, subject to all other provisions of this section.

(c) The department ~~division~~ may conduct an eligibility investigation to determine the qualifications of any new ownership or management interest in the permit.

(4) Upon the approval of racing dates by the department ~~division~~, the department ~~division~~ shall issue an annual nonwagering license to the nonwagering permitholder.

(5) Only horses registered with an established breed registration organization, which organization shall be approved by the department ~~division~~, shall be raced at any race meeting authorized by this section.

(6) The department ~~division~~ may order any person participating in a nonwagering meet to cease and desist from participating in such meet if it ~~the division~~ determines the person to be not of good moral character in accordance with s. 550.1815. The department ~~division~~ may order the operators of a nonwagering meet to cease and desist from operating the meet if the department ~~division~~ determines the meet is being operated for any illegal purpose.

Section 63. Subsection (1) of section 550.5251, Florida Statutes, is amended to read:

550.5251 Florida thoroughbred racing; certain permits;



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operating days.—

(1) Each thoroughbred permitholder shall annually, during the period commencing December 15 of each year and ending January 4 of the following year, file in writing with the department ~~division~~ its application to conduct one or more thoroughbred racing meetings during the thoroughbred racing season commencing on the following July 1. Each application shall specify the number and dates of all performances that the permitholder intends to conduct during that thoroughbred racing season. On or before March 15 of each year, the department ~~division~~ shall issue a license authorizing each permitholder to conduct performances on the dates specified in its application. Up to February 28 of each year, each permitholder may request and shall be granted changes in its authorized performances; but thereafter, as a condition precedent to the validity of its license and its right to retain its permit, each permitholder must operate the full number of days authorized on each of the dates set forth in its license.

Section 64. Subsection (3) of section 550.625, Florida Statutes, is amended to read:

550.625 Intertrack wagering; purses; breeders' awards.—If a host track is a horse track:

(3) The payment to a breeders' organization shall be combined with any other amounts received by the respective breeders' and owners' associations as so designated. Each breeders' and owners' association receiving these funds shall be allowed to withhold the same percentage as set forth in s. 550.2625 to be used for administering the payment of awards and for the general promotion of their respective industries. If the



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total combined amount received for thoroughbred breeders' awards exceeds 15 percent of the purse required to be paid under subsection (1), the breeders' and owners' association, as so designated, notwithstanding any other provision of law, shall submit a plan to the department ~~division~~ for approval which would use the excess funds in promoting the breeding industry by increasing the purse structure for Florida-breds. Preference shall be given to the track generating such excess.

Section 65. Subsection (2) of section 550.70, Florida Statutes, is amended to read:

550.70 Jai alai general provisions; chief court judges required; extension of time to construct fronton; amateur jai alai contests permitted under certain conditions; playing days' limitations; locking of pari-mutuel machines.—

(2) The time within which the holder of a ratified permit for jai alai or pelota has to construct and complete a fronton may be extended by the department ~~division~~ for a period of 24 months after the date of the issuance of the permit, anything to the contrary in any statute notwithstanding.

Section 66. Subsection (3) of section 550.902, Florida Statutes, is amended to read:

550.902 Purposes.—The purposes of this compact are to:

(3) Authorize the Department of Gaming ~~Business and Professional Regulation~~ to participate in this compact.

Section 67. Subsection (1) of section 550.907, Florida Statutes, is amended to read:

550.907 Compact committee.—

(1) There is created an interstate governmental entity to be known as the "compact committee," which shall be composed of



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one official from the racing commission, or the equivalent thereof, in each party state who shall be appointed, serve, and be subject to removal in accordance with the laws of the party state that she or he represents. The official from Florida shall be appointed by the Gaming Commission ~~Secretary of Business and Professional Regulation~~. Pursuant to the laws of her or his party state, each official shall have the assistance of her or his state's racing commission, or the equivalent thereof, in considering issues related to licensing of participants in pari-mutuel wagering and in fulfilling her or his responsibilities as the representative from her or his state to the compact committee.

Section 68. Section 551.103, Florida Statutes, is amended to read:

551.103 Powers and duties of the department ~~division~~ and law enforcement.—

(1) The department ~~division~~ shall adopt, pursuant to the provisions of ss. 120.536(1) and 120.54, all rules necessary to implement, administer, and regulate slot machine gaming as authorized in this chapter. Such rules must include:

(a) Procedures for applying for a slot machine license and renewal of a slot machine license.

(b) Technical requirements and the qualifications contained in this chapter which ~~that~~ are necessary to receive a slot machine license or slot machine occupational license.

(c) Procedures to scientifically test and technically evaluate slot machines for compliance with this chapter. The department ~~division~~ may contract with an independent testing laboratory to conduct any necessary testing under this section.





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The independent testing laboratory must have a national reputation and be ~~which is~~ demonstrably competent and qualified to scientifically test and evaluate slot machines for compliance with this chapter and to otherwise perform the functions assigned to it in this chapter. An independent testing laboratory may ~~shall~~ not be owned or controlled by a licensee. The use of an independent testing laboratory for any purpose related to the conduct of slot machine gaming by a licensee under this chapter must ~~shall~~ be made from a list of one or more laboratories approved by the department ~~division~~.

(d) Procedures relating to slot machine revenues, including verifying and accounting for such revenues, auditing, and collecting taxes and fees consistent with this chapter.

(e) Procedures for regulating, managing, and auditing the operation, financial data, and program information relating to slot machine gaming which ~~that~~ allow the department ~~division~~ and the Department of Law Enforcement to audit the operation, financial data, and program information of a slot machine licensee, as required by the department ~~division~~ or the Department of Law Enforcement, and provide the department ~~division~~ and the Department of Law Enforcement with the ability to monitor, at any time on a real-time basis, wagering patterns, payouts, tax collection, and compliance with any rules adopted by the department ~~division~~ for the regulation and control of slot machines operated under this chapter. Such continuous and complete access, at any time on a real-time basis, shall include the ability of ~~either~~ the department ~~division~~ or the Department of Law Enforcement to suspend play immediately on particular slot machines if monitoring of the facilities-based computer



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system indicates possible tampering or manipulation of those slot machines or the ability to suspend play immediately of the entire operation if the tampering or manipulation is of the computer system itself. The department ~~division~~ shall notify the Department of Law Enforcement or the Department of Law Enforcement shall notify the department ~~division~~, as appropriate, whenever there is a suspension of play under this paragraph. The department ~~division~~ and the Department of Law Enforcement shall exchange such information necessary for and cooperate in the investigation of the circumstances requiring suspension of play under this paragraph.

(f) Procedures for requiring each licensee at his or her own cost and expense to supply the department ~~division~~ with a bond having the penal sum of \$2 million payable to the Governor and his or her successors in office for each year of the licensee's slot machine operations. Any bond shall be issued by a surety or sureties approved by the department ~~division~~ and the Chief Financial Officer, conditioned to faithfully make the payments to the Chief Financial Officer in his or her capacity as treasurer of the department ~~division~~. The licensee shall be required to keep its books and records and make reports as provided in this chapter and to conduct its slot machine operations in conformity with this chapter and all other provisions of law. Such bond shall be separate and distinct from the bond required in s. 550.125.

(g) Procedures for requiring licensees to maintain specified records and submit any data, information, record, or report, including financial and income records, required by this chapter or determined by the department ~~division~~ to be necessary



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to the proper implementation and enforcement of this chapter.

(h) A requirement that the payout percentage of a slot machine be no less than 85 percent.

(i) Minimum standards for security of the facilities, including floor plans, security cameras, and other security equipment.

(j) Procedures for requiring slot machine licensees to implement and establish drug-testing programs for all slot machine occupational licensees.

(2) The department ~~division~~ shall conduct such investigations necessary to fulfill its responsibilities under the provisions of this chapter.

(3) The Department of Law Enforcement and local law enforcement agencies ~~shall~~ have concurrent jurisdiction to investigate criminal violations of this chapter and may investigate any other criminal violation of law occurring at the facilities of a slot machine licensee, and such investigations may be conducted in conjunction with the appropriate state attorney.

(4) (a) The department ~~division~~, the Department of Law Enforcement, and local law enforcement agencies shall have unrestricted access to the slot machine licensee's facility at all times and shall require of each slot machine licensee strict compliance with the laws of this state relating to the transaction of such business. The department ~~division~~, the Department of Law Enforcement, and local law enforcement agencies may:

1. Inspect and examine premises where slot machines are offered for play.



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2. Inspect slot machines and related equipment and supplies.

(b) In addition, the department ~~division~~ may:

1. Collect taxes, assessments, fees, and penalties.

2. Deny, revoke, suspend, or place conditions on the license of a person who violates any provision of this chapter or rule adopted pursuant thereto.

(5) The department ~~division~~ shall revoke or suspend the license of any person who is no longer qualified or who is found, after receiving a license, to have been unqualified at the time of application for the license.

(6) This section does not:

(a) Prohibit the Department of Law Enforcement or any law enforcement authority whose jurisdiction includes a licensed facility from conducting investigations of criminal activities occurring at the facility of the slot machine licensee;

(b) Restrict access to the slot machine licensee's facility by the Department of Law Enforcement or any local law enforcement authority whose jurisdiction includes the slot machine licensee's facility; or

(c) Restrict access by the Department of Law Enforcement or local law enforcement authorities to information and records necessary to the investigation of criminal activity which ~~that~~ are contained within the slot machine licensee's facility.

Section 69. Section 551.1045, Florida Statutes, is amended to read:

551.1045 Temporary licenses.—

(1) Notwithstanding any provision of s. 120.60 to the contrary, the department ~~division~~ may issue a temporary



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occupational license upon the receipt of a complete application from the applicant and a determination that the applicant has not been convicted of or had adjudication withheld on any disqualifying criminal offense. The temporary occupational license remains valid until such time as the department ~~division~~ grants an occupational license or notifies the applicant of its intended decision to deny the applicant a license pursuant to the provisions of s. 120.60. The department ~~division~~ shall adopt rules to administer this subsection. However, not more than one temporary license may be issued for any person in any year.

(2) A temporary license issued under this section is nontransferable.

Section 70. Subsection (3) of section 551.105, Florida Statutes, is amended to read:

551.105 Slot machine license renewal.—

(3) Upon determination by the department ~~division~~ that the application for renewal is complete and qualifications have been met, including payment of the renewal fee, the slot machine license shall be renewed annually.

Section 71. Section 551.107, Florida Statutes, is amended to read:

551.107 Slot machine occupational license; findings; application; fee.—

(1) The Legislature finds that individuals and entities that are licensed under this section require heightened state scrutiny, including the submission by the individual licensees or persons associated with the entities described in this chapter of fingerprints for a criminal history record check.

(2) (a) The following slot machine occupational licenses



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shall be issued to persons or entities that, by virtue of the positions they hold, might be granted access to slot machine gaming areas or to any other person or entity in one of the following categories:

1. General occupational licenses for general employees, including food service, maintenance, and other similar service and support employees having access to the slot machine gaming area.

2. Professional occupational licenses for any person, proprietorship, partnership, corporation, or other entity that is authorized by a slot machine licensee to manage, oversee, or otherwise control daily operations as a slot machine manager, a floor supervisor, security personnel, or any other similar position of oversight of gaming operations, or any person who is not an employee of the slot machine licensee and who provides maintenance, repair, or upgrades or otherwise services a slot machine or other slot machine equipment.

3. Business occupational licenses for any slot machine management company or company associated with slot machine gaming, any person who manufactures, distributes, or sells slot machines, slot machine paraphernalia, or other associated equipment to slot machine licensees, or any company that sells or provides goods or services associated with slot machine gaming to slot machine licensees.

(b) The department ~~division~~ may issue one license to combine licenses under this section with pari-mutuel occupational licenses and cardroom licenses pursuant to s. 550.105(2) (b). The department ~~division~~ shall adopt rules pertaining to occupational licenses under this subsection. Such



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rules may specify, but need not be limited to, requirements and restrictions for licensed occupations and categories, procedures to apply for any license or combination of licenses, disqualifying criminal offenses for a licensed occupation or categories of occupations, and which types of occupational licenses may be combined into a single license under this section. The fingerprinting requirements of subsection (7) apply to any combination license that includes slot machine license privileges under this section. The department ~~division~~ may not adopt a rule allowing the issuance of an occupational license to any person who does not meet the minimum background qualifications under this section.

(c) Slot machine occupational licenses are not transferable.

(3) A slot machine licensee may not employ or otherwise allow a person to work at a licensed facility unless such person holds the appropriate valid occupational license. A slot machine licensee may not contract or otherwise do business with a business required to hold a slot machine occupational license unless the business holds such a license. A slot machine licensee may not employ or otherwise allow a person to work in a supervisory or management professional level at a licensed facility unless such person holds a valid slot machine occupational license. All slot machine occupational licensees, while present in slot machine gaming areas, shall display on their persons their occupational license identification cards.

(4) (a) A person seeking a slot machine occupational license or renewal thereof shall make application on forms prescribed by the department ~~division~~ and include payment of the appropriate



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application fee. Initial and renewal applications for slot machine occupational licenses must contain all information that the department division, by rule, determines is required to ensure eligibility.

(b) A slot machine license or combination license is valid for the same term as a pari-mutuel occupational license issued pursuant to s. 550.105(1).

(c) Pursuant to rules adopted by the department division, any person may apply for and, if qualified, be issued a slot machine occupational license valid for a period of 3 years upon payment of the full occupational license fee for each of the 3 years for which the license is issued. The slot machine occupational license is valid during its specified term at any licensed facility where slot machine gaming is authorized to be conducted.

(d) The slot machine occupational license fee for initial application and annual renewal shall be determined by rule of the department division but may not exceed \$50 for a general or professional occupational license for an employee of the slot machine licensee or \$1,000 for a business occupational license for nonemployees of the licensee providing goods or services to the slot machine licensee. License fees for general occupational licensees shall be paid by the slot machine licensee. Failure to pay the required fee constitutes grounds for disciplinary action by the department division against the slot machine licensee, but it is not a violation of this chapter or rules of the department division by the general occupational licensee and does not prohibit the initial issuance or the renewal of the general occupational license.





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(5) The department ~~division~~ may:

(a) Deny an application for, or revoke, suspend, or place conditions or restrictions on, a license of a person or entity that has been refused a license by any other state gaming commission, governmental department, agency, or other authority exercising regulatory jurisdiction over the gaming of another state or jurisdiction; or

(b) Deny an application for, or suspend or place conditions on, a license of any person or entity that is under suspension or has unpaid fines in another state or jurisdiction.

(6) (a) The department ~~division~~ may deny, suspend, revoke, or refuse to renew any slot machine occupational license if the applicant for such license or the licensee has violated the provisions of this chapter or the rules of the department ~~division~~ governing the conduct of persons connected with slot machine gaming. In addition, the department ~~division~~ may deny, suspend, revoke, or refuse to renew any slot machine occupational license if the applicant for such license or the licensee has been convicted in this state, in any other state, or under the laws of the United States of a capital felony, a felony, or an offense in any other state which ~~that~~ would be a felony under the laws of this state involving arson; trafficking in, conspiracy to traffic in, smuggling, importing, conspiracy to smuggle or import, or delivery, sale, or distribution of a controlled substance; racketeering; or a crime involving a lack of good moral character, or has had a gaming license revoked by this state or any other jurisdiction for any gaming-related offense.

(b) The department ~~division~~ may deny, revoke, or refuse to



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renew any slot machine occupational license if the applicant for such license or the licensee has been convicted of a felony or misdemeanor in this state, in any other state, or under the laws of the United States if such felony or misdemeanor is related to gambling or bookmaking as described in s. 849.25.

(c) For purposes of this subsection, the term "convicted" means having been found guilty, with or without adjudication of guilt, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

(7) Fingerprints for all slot machine occupational license applications shall be taken in a manner approved by the department division and shall be submitted electronically to the Department of Law Enforcement for state processing and the Federal Bureau of Investigation for national processing for a criminal history record check. All persons as specified in s. 550.1815(1)(a) employed by or working within a licensed premises shall submit fingerprints for a criminal history record check and may not have been convicted of any disqualifying criminal offenses specified in subsection (6). Department Division employees and law enforcement officers assigned by their employing agencies to work within the premises as part of their official duties are excluded from the criminal history record check requirements under this subsection. For purposes of this subsection, the term "convicted" means having been found guilty, with or without adjudication of guilt, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

(a) Fingerprints shall be taken in a manner approved by the department division upon initial application, or as required



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thereafter by rule of the department ~~division~~, and shall be submitted electronically to the Department of Law Enforcement for state processing. The Department of Law Enforcement shall forward the fingerprints to the Federal Bureau of Investigation for national processing. The results of the criminal history record check shall be returned to the department ~~division~~ for purposes of screening. Licensees shall provide necessary equipment approved by the Department of Law Enforcement to facilitate such electronic submission. The department ~~division~~ requirements under this subsection shall be instituted in consultation with the Department of Law Enforcement.

(b) The cost of processing fingerprints and conducting a criminal history record check for a general occupational license shall be borne by the slot machine licensee. The cost of processing fingerprints and conducting a criminal history record check for a business or professional occupational license shall be borne by the person being checked. The Department of Law Enforcement may submit an invoice to the department ~~division~~ for the cost of fingerprints submitted each month.

(c) All fingerprints submitted to the Department of Law Enforcement and required by this section shall be retained by the Department of Law Enforcement and entered into the statewide automated biometric identification system as authorized by s. 943.05(2)(b) and shall be available for all purposes and uses authorized for arrest fingerprints entered into the statewide automated biometric identification system pursuant to s. 943.051.

(d) The Department of Law Enforcement shall search all arrest fingerprints received pursuant to s. 943.051 against the



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fingerprints retained in the statewide automated biometric identification system under paragraph (c). Any arrest record that is identified with the retained fingerprints of a person subject to the criminal history screening requirements of this section shall be reported to the department ~~division~~. Each licensed facility shall pay a fee to the department ~~division~~ for the cost of retention of the fingerprints and the ongoing searches under this paragraph. The department ~~division~~ shall forward the payment to the Department of Law Enforcement. The amount of the fee to be imposed for performing these searches and the procedures for the retention of licensee fingerprints shall be as established by rule of the Department of Law Enforcement. The department ~~division~~ shall inform the Department of Law Enforcement of any change in the license status of licensees whose fingerprints are retained under paragraph (c).

(e) The department ~~division~~ shall request the Department of Law Enforcement to forward the fingerprints to the Federal Bureau of Investigation for a national criminal history records check every 3 years following issuance of a license. If the fingerprints of a person who is licensed have not been retained by the Department of Law Enforcement, the person must file a complete set of fingerprints as provided for in paragraph (a). The department ~~division~~ shall collect the fees for the cost of the national criminal history record check under this paragraph and shall forward the payment to the Department of Law Enforcement. The cost of processing fingerprints and conducting a criminal history record check under this paragraph for a general occupational license shall be borne by the slot machine licensee. The cost of processing fingerprints and conducting a



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criminal history record check under this paragraph for a business or professional occupational license shall be borne by the person being checked. The Department of Law Enforcement may submit an invoice to the department ~~division~~ for the cost of fingerprints submitted each month. Under penalty of perjury, each person who is licensed or who is fingerprinted as required by this section must agree to inform the department ~~division~~ within 48 hours if he or she is convicted of or has entered a plea of guilty or nolo contendere to any disqualifying offense, regardless of adjudication.

(8) All moneys collected pursuant to this section shall be deposited into the Pari-mutuel Wagering Trust Fund.

(9) The department ~~division~~ may deny, revoke, or suspend any occupational license if the applicant or holder of the license accumulates unpaid obligations, defaults in obligations, or issues drafts or checks that are dishonored or for which payment is refused without reasonable cause.

(10) The department ~~division~~ may fine or suspend, revoke, or place conditions upon the license of any licensee who provides false information under oath regarding an application for a license or an investigation by the department ~~division~~.

(11) The department ~~division~~ may impose a civil fine of up to \$5,000 for each violation of this chapter or the rules of the department ~~division~~ in addition to or in lieu of any other penalty provided for in this section. The department ~~division~~ may adopt a penalty schedule for violations of this chapter or any rule adopted pursuant to this chapter for which it would impose a fine in lieu of a suspension and adopt rules allowing for the issuance of citations, including procedures to address



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such citations, to persons who violate such rules. In addition to any other penalty provided by law, the department ~~division~~ may exclude from all licensed slot machine facilities in this state, for a period not to exceed the period of suspension, revocation, or ineligibility, any person whose occupational license application has been declared ineligible to hold an occupational license or whose occupational license has been suspended or revoked by the department ~~division~~.

Section 72. Section 551.108, Florida Statutes, is amended to read:

551.108 Prohibited relationships.—

(1) A person employed by or performing any function on behalf of the department ~~division~~ may not:

(a) Be an officer, director, owner, or employee of any person or entity licensed by the department ~~division~~.

(b) Have or hold any interest, direct or indirect, in or engage in any commerce or business relationship with any person licensed by the department ~~division~~.

(2) A manufacturer or distributor of slot machines may not enter into any contract with a slot machine licensee which ~~that~~ provides for any revenue sharing of any kind or nature or which ~~that~~ is directly or indirectly calculated on the basis of a percentage of slot machine revenues. Any maneuver, shift, or device whereby this subsection is violated is a violation of this chapter and renders any such agreement void.

(3) A manufacturer or distributor of slot machines or any equipment necessary for the operation of slot machines or an officer, director, or employee of any such manufacturer or distributor may not have any ownership or financial interest in



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a slot machine license or in any business owned by the slot machine licensee.

(4) An employee of the department ~~division~~ or relative living in the same household as the ~~such~~ employee of the department ~~division~~ may not wager at any time on a slot machine located at a facility licensed by the department ~~division~~.

(5) An occupational licensee or relative living in the same household as such occupational licensee may not wager at any time on a slot machine located at a facility where that person is employed.

Section 73. Subsections (2) and (7) of section 551.109, Florida Statutes, are amended to read:

551.109 Prohibited acts; penalties.—

(2) Except as otherwise provided by law and in addition to any other penalty, any person who possesses a slot machine without the license required by this chapter or who possesses a slot machine at any location other than at the slot machine licensee's facility is subject to an administrative fine or civil penalty of up to \$10,000 per machine. The prohibition in this subsection does not apply to:

(a) Slot machine manufacturers or slot machine distributors that hold appropriate licenses issued by the department ~~division~~ who are authorized to maintain a slot machine storage and maintenance facility at any location in a county in which slot machine gaming is authorized by this chapter. The department ~~division~~ may adopt rules regarding security and access to the storage facility and inspections by the department ~~division~~.

(b) Certified educational facilities that are authorized to maintain slot machines for the sole purpose of education and



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licensure, if any, of slot machine technicians, inspectors, or investigators. The department division and the Department of Law Enforcement may possess slot machines for training and testing purposes. The department division may adopt rules regarding the regulation of any such slot machines used for educational, training, or testing purposes.

(7) All penalties imposed and collected under this section must be deposited into the Pari-mutuel Wagering Trust Fund ~~of the Department of Business and Professional Regulation~~.

Section 74. Section 551.112, Florida Statutes, is amended to read:

551.112 Exclusions of certain persons.—In addition to the power to exclude certain persons from any facility of a slot machine licensee in this state, the department division may exclude any person from any facility of a slot machine licensee in this state for conduct that would constitute, if the person were a licensee, a violation of this chapter or the rules of the department division. The department division may exclude from any facility of a slot machine licensee any person who has been ejected from a facility of a slot machine licensee in this state or who has been excluded from any facility of a slot machine licensee or gaming facility in another state by the governmental department, agency, commission, or authority exercising regulatory jurisdiction over the gaming in such other state. This section does not abrogate the common law right of a slot machine licensee to exclude a patron absolutely in this state.

Section 75. Section 551.117, Florida Statutes, is amended to read:

551.117 Penalties.—The department division may revoke or





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suspend any slot machine license issued under this chapter upon the willful violation by the slot machine licensee of any provision of this chapter or of any rule adopted under this chapter. In lieu of suspending or revoking a slot machine license, the department ~~division~~ may impose a civil penalty against the slot machine licensee for a violation of this chapter or any rule adopted by the department ~~division~~. Except as otherwise provided in this chapter, the penalty so imposed may not exceed \$100,000 for each count or separate offense. All penalties imposed and collected must be deposited into the Pari-mutuel Wagering Trust Fund ~~of the Department of Business and Professional Regulation~~.

Section 76. Section 551.118, Florida Statutes, is amended to read:

551.118 Compulsive or addictive gambling prevention program.—

(1) The slot machine licensee shall offer training to employees on responsible gaming and shall work with a compulsive or addictive gambling prevention program to recognize problem gaming situations and to implement responsible gaming programs and practices.

(2) The department ~~division~~ shall, subject to competitive bidding, contract for provision of services related to the prevention of compulsive and addictive gambling. The contract shall provide for an advertising program to encourage responsible gaming practices and to publicize a gambling telephone help line. Such advertisements must be made both publicly and inside the designated slot machine gaming areas of the licensee's facilities. The terms of any contract for the



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provision of such services shall include accountability standards that must be met by any private provider. The failure of any private provider to meet any material terms of the contract, including the accountability standards, shall constitute a breach of contract or grounds for nonrenewal. The department division may consult with the Department of the Lottery in the development of the program and the development and analysis of any procurement for contractual services for the compulsive or addictive gambling prevention program.

(3) The compulsive or addictive gambling prevention program shall be funded from an annual nonrefundable regulatory fee of \$250,000 paid by the licensee to the department division.

Section 77. Section 551.122, Florida Statutes, is amended to read:

551.122 Rulemaking.—The department division may adopt rules pursuant to ss. 120.536(1) and 120.54 to administer the provisions of this chapter.

Section 78. Section 551.123, Florida Statutes, is amended to read:

551.123 Legislative authority; administration of chapter.—The Legislature finds and declares that it has exclusive authority over the conduct of all wagering occurring at a slot machine facility in this state. As provided by law, only the Department of Gaming ~~Division of Pari-mutuel Wagering~~ and other authorized state agencies shall administer this chapter and regulate the slot machine gaming industry, including operation of slot machine facilities, games, slot machines, and facilities-based computer systems authorized in this chapter and the rules adopted by the department division.



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Section 79. Subsection (5) of section 565.02, Florida Statutes, is amended to read:

565.02 License fees; vendors; clubs; caterers; and others.—

(5) A caterer at a horse or dog racetrack or jai alai fronton may obtain a license upon the payment of an annual state license tax of \$675. Such caterer's license shall permit sales only within the enclosure in which such races or jai alai games are conducted, and such licensee shall be permitted to sell only during the period beginning 10 days before and ending 10 days after racing or jai alai under the authority of the ~~Division of Pari-mutuel Wagering of the~~ Department of Gaming Business and Professional Regulation is conducted at such racetrack or jai alai fronton. Except as otherwise provided in this subsection ~~otherwise provided~~, caterers licensed hereunder shall be treated as vendors licensed to sell by the drink the beverages mentioned herein and shall be subject to all the provisions hereof relating to such vendors.

Section 80. Section 817.37, Florida Statutes, is amended to read:

817.37 Touting; defining; providing punishment; ejection from racetracks.—

(1) Any person who knowingly and designedly by false representation attempts to, or does persuade, procure, or cause another person to wager on a horse in a race to be run in this state or elsewhere, and upon which money is wagered in this state, and who asks or demands compensation as a reward for information or purported information given in such case is a tout, and commits ~~is guilty of~~ touting.

(2) Any person who is a tout, or who attempts or conspires



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to commit toutting, commits ~~shall be guilty of~~ a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

(3) Any person who in the commission of toutting falsely uses the name of any official of the Department of Gaming ~~Florida Division of Pari-mutuel Wagering~~, its inspectors or attaches, or of any official of any racetrack association, or the names of any owner, trainer, jockey, or other person licensed by the Department of Gaming ~~Florida Division of Pari-mutuel Wagering~~, as the source of any information or purported information commits ~~shall be guilty of~~ a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(4) Any person who has been convicted of toutting by any court, and the record of whose conviction on such charge is on file in the office of the Department of Gaming ~~Florida Division of Pari-mutuel Wagering~~, any court of this state, or of the Federal Bureau of Investigation, or any person who has been ejected from any racetrack of this or any other state for toutting or practices inimical to the public interest shall be excluded from all racetracks in this state and if such person returns to a racetrack he or she commits ~~shall be guilty of~~ a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083. Any such person who refuses to leave such track when ordered to do so by inspectors of the Department of Gaming ~~Florida Division of Pari-mutuel Wagering~~ or by any peace officer, or by an accredited attache of a racetrack or association commits ~~shall be guilty of~~ a separate offense that ~~is which shall be~~ a misdemeanor of the second degree, punishable



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as provided in s. 775.083.

Section 81. The provisions of this act are not severable.  
If this act or any portion of this act is determined to be  
unconstitutional or the applicability thereof to any person or  
circumstance is held invalid:

(1) Such determination shall render all other provisions or  
applications of this act invalid; and

(2) This act is deemed never to have become law.

Section 82. This act shall take effect only if Senate  
Proposed Bill 7074, 2016 Regular Session, or similar legislation  
becomes law ratifying the Gaming Compact between the Seminole  
Tribe of Florida and the State of Florida executed by the  
Governor and the Seminole Tribe of Florida on December 7, 2015,  
under the Indian Gaming Regulatory Act of 1988, and only if such  
compact is approved or deemed approved, and not voided by the  
United States Department of the Interior, and except as  
otherwise expressly provided and except for this section, which  
shall take effect upon becoming a law, this act shall take  
effect on the date that the approved compact is published in the  
Federal Register.

===== T I T L E   A M E N D M E N T =====

And the title is amended as follows:

Delete everything before the enacting clause  
and insert:

A bill to be entitled  
An act relating to gaming; creating s. 20.318, F.S.;  
creating the Department of Gaming; providing that the  
head of the Department of Gaming is the Gaming



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6101 Commission; providing for the appointment and  
6102 composition of the commission; requiring that certain  
6103 appointees to the commission have specified areas of  
6104 experience; prohibiting a person from being appointed  
6105 to or serving as a member of the commission in certain  
6106 circumstances; providing for staggered terms for the  
6107 initial appointments of the commission; requiring the  
6108 Governor to appoint successors to the commission;  
6109 providing for the filling of vacancies on the  
6110 commission; prohibiting a member of the commission  
6111 from serving more than two full terms; providing the  
6112 headquarters of the commission; authorizing the  
6113 commission to establish field offices as necessary;  
6114 requiring the initial meeting of the commission to be  
6115 held by a specified date; requiring the members of the  
6116 commission to elect a chairman; requiring the  
6117 commission to meet at least monthly, upon the call of  
6118 the chairman or upon the call of the majority of the  
6119 commission; requiring the commission to appoint an  
6120 executive director; authorizing the executive director  
6121 to hire specified assistants and employees;  
6122 prohibiting certain persons from having a specified  
6123 financial interest, engaging in any political  
6124 activity, and engaging in specified outside  
6125 employment; requiring certain persons to file annual  
6126 financial disclosures and disclose other specified  
6127 matters; establishing divisions within the department;  
6128 defining terms; specifying powers and duties of the  
6129 department; authorizing the department to take



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6130 testimony; authorizing the department to exclude  
6131 specified persons from certain gaming establishments;  
6132 authorizing the department to conduct investigations  
6133 and collect fines; requiring the department to issue  
6134 advisory opinions under certain circumstances;  
6135 authorizing the department to employ law enforcement  
6136 officers; directing the Department of Gaming to  
6137 contract with the Department of Revenue for tax  
6138 collection and financial audit services; authorizing  
6139 the Department of Revenue to investigate certain  
6140 violations; providing licensing powers of the  
6141 Department of Gaming; transferring and reassigning  
6142 certain functions and responsibilities, including  
6143 records, personnel, property, and unexpended balances  
6144 of appropriations and other resources, from the  
6145 Division of Pari-mutuel Wagering within the Department  
6146 of Business and Professional Regulation to the  
6147 Department of Gaming by a type two transfer; providing  
6148 for the continued validity of pending judicial or  
6149 administrative actions to which the division is a  
6150 party; providing for the continued validity of lawful  
6151 orders issued by the division; transferring certain  
6152 rules created by the division to the Department of  
6153 Gaming; providing for the continued validity of  
6154 licenses, permits, and certifications issued by the  
6155 division; amending s. 20.165, F.S.; conforming  
6156 provisions to changes made by the act; amending s.  
6157 120.80, F.S.; providing exemptions for the Department  
6158 of Gaming from hearing and notice requirements;



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6159 requiring the Department of Gaming to adopt rules  
6160 establishing certain procedures; amending s. 550.002,  
6161 F.S.; redefining the term "full schedule of live  
6162 racing or games"; defining the term "video race  
6163 system"; amending s. 550.01215, F.S.; revising  
6164 provisions for applications for pari-mutuel operating  
6165 licenses; authorizing a greyhound racing permitholder  
6166 to specify certain intentions on its application;  
6167 authorizing a greyhound racing permitholder to receive  
6168 an operating license to conduct pari-mutuel wagering  
6169 activities at another permitholder's greyhound racing  
6170 facility; limiting the number of pari-mutuel wagering  
6171 operating licenses that may be issued each year;  
6172 authorizing the Department of Gaming to approve  
6173 changes in racing dates for greyhound racing  
6174 permitholders under certain circumstances; providing  
6175 requirements for licensure of certain jai alai  
6176 permitholders; deleting a provision for conversion of  
6177 certain converted permits to jai alai permits;  
6178 amending s. 550.0251, F.S.; requiring the department  
6179 to annually report to the Governor and the  
6180 Legislature; specifying requirements for the content  
6181 of the report; amending s. 550.054, F.S.; requiring  
6182 the department to revoke a pari-mutuel wagering  
6183 operating permit under certain circumstances;  
6184 prohibiting issuance or approval of new pari-mutuel  
6185 permits after a specified date; authorizing a  
6186 permitholder to apply to the department to place a  
6187 permit in inactive status; revising provisions that





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6188 prohibit transfer or assignment of a pari-mutuel  
6189 permit; prohibiting transfer or assignment of a pari-  
6190 mutuel permit or license under certain conditions;  
6191 prohibiting relocation of a pari-mutuel facility,  
6192 cardroom, or slot machine facility or conversion of  
6193 pari-mutuel permits to a different class; providing  
6194 for approval of the relocation of such permits;  
6195 deleting provisions for certain converted permits;  
6196 repealing s. 550.0555, F.S., relating to the  
6197 relocation of greyhound racing permits; repealing s.  
6198 550.0745, F.S., relating to the conversion of pari-  
6199 mutuel permits to summer jai alai permits; amending s.  
6200 550.0951, F.S.; deleting provisions for certain  
6201 credits for a greyhound racing permitholder; revising  
6202 the tax on handle for live greyhound racing and  
6203 intertrack wagering if the host track is a greyhound  
6204 racing track; requiring a tax on handle and fees for  
6205 video race licensees; specifying how fees may be used  
6206 by the department and the Department of Law  
6207 Enforcement; amending s. 550.09511, F.S.; conforming a  
6208 cross-reference; amending s. 550.09512, F.S.;  
6209 providing for the revocation of certain harness horse  
6210 racing permits; specifying that a revoked permit may  
6211 not be reissued; amending s. 550.09514, F.S.; deleting  
6212 certain provisions that prohibit tax on handle until a  
6213 specified amount of tax savings have resulted;  
6214 revising purse requirements of a greyhound racing  
6215 permitholder that conducts live racing; amending s.  
6216 550.09515, F.S.; providing for the revocation of



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6217 certain thoroughbred racing permits; specifying that a  
6218 revoked permit may not be reissued; amending s.  
6219 550.1625, F.S.; deleting the requirement that a  
6220 greyhound racing permitholder pay the breaks tax;  
6221 repealing s. 550.1647, F.S., relating to unclaimed  
6222 tickets and breaks held by greyhound racing  
6223 permitholders; amending s. 550.1648, F.S.; revising  
6224 requirements for a greyhound racing permitholder to  
6225 provide a greyhound adoption booth at its facility;  
6226 requiring sterilization of greyhounds before adoption;  
6227 authorizing the fee for such sterilization to be  
6228 included in the cost of adoption; defining the term  
6229 "bona fide organization that promotes or encourages  
6230 the adoption of greyhounds"; creating s. 550.1751,  
6231 F.S.; defining terms; authorizing certain pari-mutuel  
6232 permitholders to enter into agreements to sell and  
6233 transfer permits to certain bidders; requiring that  
6234 such permits be surrendered to the department and  
6235 voided; creating s. 550.1752, F.S.; creating the  
6236 permit reduction program within the department;  
6237 providing a purpose for the program; providing for  
6238 funding for the program up to a specified maximum  
6239 amount; requiring the department to purchase pari-  
6240 mutuel permits from permitholders under certain  
6241 circumstances; requiring that permitholders who wish  
6242 to make an offer to sell meet certain requirements;  
6243 requiring the department to adopt a certain form by  
6244 rule; requiring that the department establish the  
6245 value of a pari-mutuel permit based on the valuation



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6246 of one or more independent appraisers; authorizing the  
6247 department to establish a value that is lower than the  
6248 valuation of the independent appraiser; requiring the  
6249 department to accept the offers that best utilize  
6250 available funding; requiring the department to cancel  
6251 permits that it purchases through the program;  
6252 providing for expiration of the program; creating s.  
6253 550.2416, F.S.; requiring injuries to racing  
6254 greyhounds to be reported within a certain timeframe  
6255 on a form adopted by the department; requiring such  
6256 form to be completed and signed under oath or  
6257 affirmation by certain individuals; providing  
6258 penalties; specifying information that must be  
6259 included in the form; requiring the department to  
6260 maintain the forms as public records for a specified  
6261 time; specifying disciplinary action that may be taken  
6262 against a licensee of the Department of Business and  
6263 Professional Regulation who fails to report an injury  
6264 or who makes false statements on an injury form;  
6265 exempting injuries to certain animals from reporting  
6266 requirements; requiring the department to adopt rules;  
6267 amending s. 550.26165, F.S.; conforming a cross-  
6268 reference; amending s. 550.3345, F.S.; revising  
6269 provisions for a permit previously converted from a  
6270 quarter horse racing permit to a limited thoroughbred  
6271 racing permit; amending s. 550.3551, F.S.; deleting a  
6272 provision that limits the number of out-of-state races  
6273 on which wagers are accepted by a greyhound racing  
6274 permitholder; deleting a provision prohibiting a



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6275       permitholder from conducting fewer than eight live  
6276       races or games under certain circumstances; deleting a  
6277       provision requiring certain permitholders to conduct a  
6278       full schedule of live racing to receive certain full-  
6279       card broadcasts and accept certain wagers; amending s.  
6280       550.375, F.S.; conforming a cross-reference; amending  
6281       s. 550.615, F.S.; revising provisions relating to  
6282       intertrack wagering; amending s. 550.6305, F.S.;  
6283       revising provisions requiring that certain simulcast  
6284       signals be made available to certain permitholders;  
6285       authorizing certain permitholders of a converted  
6286       permit to accept wagers on certain rebroadcasts;  
6287       amending s. 550.6308, F.S.; revising the number of  
6288       days of thoroughbred horse sales required to obtain a  
6289       limited intertrack wagering license; revising  
6290       provisions for such wagering; amending s. 551.101,  
6291       F.S.; revising provisions that authorize slot machine  
6292       gaming at certain facilities; amending s. 551.102,  
6293       F.S.; revising definitions of the terms "eligible  
6294       facility" and "slot machine licensee" for purposes of  
6295       provisions relating to slot machines; amending s.  
6296       551.104, F.S.; providing that an application to  
6297       conduct slot machine gaming may be authorized only if  
6298       it would not trigger a reduction in revenue-sharing  
6299       under the Gaming Compact between the Seminole Tribe of  
6300       Florida and the State of Florida; specifying the  
6301       facilities that may be authorized by the department to  
6302       conduct slot machine gaming; exempting certain  
6303       greyhound racing and thoroughbred racing permitholders



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6304 from a requirement that they conduct a full schedule  
6305 of live racing as a condition of maintaining authority  
6306 to conduct slot machine gaming; requiring licensees to  
6307 withhold a specified percentage of net revenue from  
6308 specified sources; creating s. 551.1041, F.S.;

6309 authorizing an additional slot machine license to be  
6310 issued to a pari-mutuel permitholder for a facility in  
6311 Miami-Dade County and in Palm Beach County, subject to  
6312 approval by a majority of voters in a referendum in  
6313 each county; providing for the conduct of the  
6314 referendum; establishing the process for the issuance  
6315 of new licenses; requiring that applications be made  
6316 by sealed bids to the department, subject to specified  
6317 prequalification procedures and requirements;

6318 specifying a minimum bid amount; authorizing a  
6319 specified number of slot machines and video race  
6320 terminals for play; providing requirements for slot  
6321 machines and video race terminals; defining the term  
6322 "video race terminal"; providing requirements for the  
6323 use of net revenue withheld from certain slot machine  
6324 licensees; creating s. 551.1042, F.S.; prohibiting the  
6325 transfer of a slot machine license or relocation of a  
6326 slot machine facility; amending s. 551.106, F.S.;

6327 deleting obsolete provisions; revising the tax rate on  
6328 slot machine revenues under certain conditions;  
6329 amending s. 551.114, F.S.; decreasing the number of  
6330 slot machines available for play at certain  
6331 facilities; requiring that specified permitholders'  
6332 designated slot machine gaming areas be located within



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6333 the eligible facility for which the initial license  
6334 was issued; amending s. 551.116, F.S.; deleting a  
6335 restriction on the number of hours that slot machine  
6336 gaming areas may be open; amending s. 551.121, F.S.;  
6337 authorizing the serving of complimentary or reduced-  
6338 cost alcoholic beverages to a person playing a slot  
6339 machine; authorizing the location of an automated  
6340 teller machine or similar device within designated  
6341 slot machine gaming areas; amending s. 849.086, F.S.;  
6342 amending legislative intent; revising definitions;  
6343 authorizing certain thoroughbred racing permitholders  
6344 to operate a cardroom at a specified slot facility  
6345 under certain circumstances; deleting certain license  
6346 renewal requirements; authorizing certain cardroom  
6347 operators to offer certain designated player games;  
6348 providing limits on wagers for such games; providing  
6349 playing requirements for designated players; requiring  
6350 each seated player to be afforded the temporary  
6351 opportunity to be the designated player; prohibiting  
6352 certain persons from being designated players;  
6353 providing requirements for designated player games;  
6354 providing that the department may only approve  
6355 cardroom operators to conduct certain designated  
6356 player games; requiring certain harness horse racing  
6357 permitholders to use at least 50 percent of monthly  
6358 net proceeds in specified ways; conforming provisions  
6359 to changes made by the act; directing the department  
6360 to revoke certain pari-mutuel permits; specifying that  
6361 the revoked permits may not be reissued; amending ss.



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6362 285.710, 550.0115, 550.0235, 550.0351, 550.0651,  
6363 550.105, 550.1155, 550.125, 550.135, 550.155, 550.175,  
6364 550.1815, 550.24055, 550.2415, 550.2614, 550.2625,  
6365 550.26352, 550.2704, 550.334, 550.3355, 550.3615,  
6366 550.495, 550.505, 550.5251, 550.625, 550.70, 550.902,  
6367 550.907, 551.103, 551.1045, 551.105, 551.107, 551.108,  
6368 551.109, 551.112, 551.117, 551.118, 551.122, 551.123,  
6369 565.02, and 817.37, F.S.; conforming provisions to  
6370 changes made by the act; conforming cross-references;  
6371 deleting obsolete language; providing for  
6372 nonseverability; providing a contingent effective  
6373 date.



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LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Negron) recommended the following:

**Senate Amendment (with title amendment)**

Before line 208

insert:

Section 1. Section 546.11, Florida Statutes, is created to read:

546.11 Short title.—Sections 546.11-546.20 may be cited as the "Fantasy Contest Amusement Act."

Section 2. Section 546.12, Florida Statutes, is created to read:





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546.12 Legislative intent.—It is the intent of the Legislature to ensure public confidence in the integrity of fantasy contests and fantasy contest operators. This act is designed to strictly regulate the operators of fantasy contests and individuals who participate in such contests and to adopt consumer protections related to fantasy contests. Furthermore, the Legislature finds that fantasy contests, as that term is defined in s. 546.13, involve the skill of contest participants and do not constitute gambling, gaming, or games of chance.

Section 3. Section 546.13, Florida Statutes, is created to read:

546.13 Definitions.—As used in ss. 546.11-546.19, the term:  
(1) "Confidential information" means information related to the playing of fantasy contests by contest participants which is obtained solely as a result of a person's employment with or work as an agent of a contest operator.

(2) "Contest operator" means a person or an entity other than a noncommercial contest operator which offers fantasy contests that require an entry fee for a cash prize to members of the public.

(3) "Contest participant" means a person who pays an entry fee for the ability to participate in a fantasy contest offered by a contest operator.

(4) "Entry fee" means the cash or cash equivalent amount that is required to be paid by a fantasy contest player to a fantasy contest operator to participate in a fantasy contest.

(5) "Fantasy contest" means a fantasy or simulation sports game or contest offered by a contest operator or a noncommercial contest operator in which a contest participant manages a



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fantasy or simulation sports team composed of athletes from an amateur or professional sports organization and which meets the following conditions:

(a) All prizes and awards offered to winning participants are established and made known to the participants in advance of the game or contest and their value is not determined by the number of participants or the amount of any fees paid by those participants.

(b) All winning outcomes reflect the relative knowledge and skill of the participants and are determined predominantly by accumulated statistical results of the performance of the athletes participating in multiple real-world sporting or other events. However, a winning outcome may not be based:

1. On the score, point spread, or any performance or performances of a single real-world team or any combination of such teams; or

2. Solely on any single performance of an individual athlete in a single real-world sporting or other event.

(6) "Noncommercial contest operator" means a person who organizes and conducts a fantasy contest, or who makes available a fantasy contest software platform, in which participants may be charged fees for the right to participate; fees are collected, maintained, and distributed by the same person; and all fees are returned to the players in the form of prizes.

(7) "Office" means the Office of Amusements created in s. 546.14.

Section 4. Section 546.14, Florida Statutes is created to read:

546.14 Office of Amusements.—



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(1) The Office of Amusements is created within the Department of Business and Professional Regulation. The office shall operate under the supervision of a senior manager exempt under s. 110.205 in the Senior Management Service and appointed by the secretary.

(2) The duties of the office include, but are not limited to, administering and enforcing this act and any rules adopted pursuant thereto and any other duties authorized by the Secretary of Business and Professional Regulation. The office may work with department personnel as needed to assist in fulfilling its duties.

(3) The office may:

(a) Conduct investigations and monitor the operation and play of fantasy contests.

(b) Review the books, accounts, and records of any current or former contest operator.

(c) Suspend or revoke any license, after hearing, for any violation of state law or rule.

(d) Take testimony, issue summons and subpoenas for any witness, and issue subpoenas duces tecum in connection with any matter within its jurisdiction.

(e) Monitor and ensure the proper collection and safeguarding of contest fees and the payment of contest prizes in accordance with consumer protection procedures adopted pursuant to s. 546.16.

(4) The office may adopt rules to implement this act.

Section 5. Section 546.15, Florida Statutes, is created to read:

546.15 Licensing.—



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(1) A contest operator that offers fantasy contests for play by persons in this state must be licensed by the office to conduct fantasy contests within this state. The initial license application fee is \$500,000 and the annual license renewal fee is \$100,000, however, the respective fees may not exceed 10 percent of the amount of entry fees collected by a contest operator from the operation of fantasy contests in this state, less the amount of cash or cash equivalents paid to contest participants. The office shall require the contest operator to provide written evidence of the proposed amount of entry fees and cash or cash equivalents to be paid to contest participants during the annual license period. Prior to renewing a license, the contest operator shall provide written evidence to the office of the actual entry fees collected and cash or cash equivalents paid to contest participants during the previous period of licensure. The contest operator shall remit to the office any difference in license fee that results from the difference between the proposed amount of entry fees and cash or cash equivalents paid to contest participants and the actual amounts collected and paid.

(2) The office shall grant or deny a complete application within 120 days after receipt, and a completed application that is not acted upon by the office within 120 days after receipt is deemed approved, and the office shall issue the license. Applications for a contest operator's license are exempt from the 90-day licensure timeframe imposed in s. 120.60(1).

(3) The application must include:

(a) The full name of the applicant.

(b) If the applicant is a corporation, the name of the



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state in which the applicant is incorporated and the names and addresses of the officers, directors, and shareholders of the corporation who hold 5 percent or more equity.

(c) If the applicant is a business entity other than a corporation, the names and addresses of the principals, partners, or shareholders who hold 5 percent or more equity.

(d) The names and addresses of the ultimate equitable owners of the corporation or other business entity, if different from those provided under paragraphs (b) and (c), unless the securities of the corporation or entity are registered pursuant to s. 12 of the Securities Exchange Act of 1934, 15 U.S.C. ss. 78a-78kk, and:

1. The corporation or entity files with the United States Securities and Exchange Commission, the reports required by s. 13 of that act; or

2. The securities of the corporation or entity are regularly traded on an established securities market in the United States.

(e) The estimated number of fantasy sports contests to be conducted by the applicant annually.

(f) A statement of the assets and liabilities of the applicant.

(g) If required by the office, the names and addresses of the officers and directors of any debtor of the applicant and of stockholders who hold more than 10 percent of the stock of the debtor.

(h) For each individual listed in the application as an officer or director, a complete set of fingerprints taken by an authorized law enforcement officer. The office shall submit such



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fingerprints to the Federal Bureau of Investigation for national processing. Foreign nationals shall submit such documents as necessary to allow the office to conduct criminal history records checks in the individual's home country. The applicant must pay the full cost of processing fingerprints and required documentation. The office also may charge a \$2 handling fee for each set of fingerprints submitted.

(4) A person or entity is not eligible for licensure as a contest operator or licensure renewal if he or she or an officer or director of the entity is determined by the office, after investigation, not to be of good moral character or if found to have been convicted of a felony in this state, any offense in another jurisdiction which would be considered a felony if committed in this state, or a felony under the laws of the United States. For purposes of this subsection, the term "convicted" means having been found guilty, with or without adjudication of guilt, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

(5) The contest operator shall provide evidence of a surety bond in the amount of \$1million, payable to the state, furnished by a corporate surety authorized to do business. The surety bond shall be kept in full force and effect by the contest operator during the term of the license and any renewal thereof. The office shall adopt by rule the form required for such surety bond.

(6) The office may not issue a license pursuant to this section unless the Gaming Compact between the Seminole Tribe of Florida and the State of Florida, authorized pursuant to s. 285.710(3)(b), indicates that fantasy contests operated by such



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fantasy contest operator do not violate any of the compact's provisions.

(7) The office may suspend, revoke, or deny the license of a contest operator who fails to comply with this act or rules adopted pursuant thereto.

Section 6. Section 546.16, Florida Statutes, is created to read:

546.16 Consumer protection.—

(1) A contest operator who charges an entry fee to contest participants shall implement procedures for fantasy sports contests which:

(a) Prevent employees of the fantasy contest operator, and relatives living in the same household as such employees, from competing in a fantasy contest in which a cash prize is awarded.

(b) Prohibit the contest operator from being a contest participant in a fantasy contest that he or she offers.

(c) Prevent the employees or agents of the contest operator from sharing with third parties confidential information that could affect fantasy contest play until the information has been made publicly available.

(d) Verify that contest participants are 18 years of age or older.

(e) Restrict an individual who is a player, a game official, or another participant in a real-world game or competition from participating in a fantasy contest that is determined, in whole or in part, on the performance of that individual, the individual's real-world team, or the accumulated statistical results of the sport or competition in which he or she is a player, game official, or other participant.



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(f) Allow individuals to restrict or prevent their own access to a fantasy contest and take reasonable steps to prevent those individuals from entering a fantasy sports contest.

(g) Limit the number of entries a single contest participant may submit to each fantasy contest and take reasonable steps to prevent participants from submitting more than the allowable number of entries.

(h) Segregate contest participants' funds from operational funds and maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, a bond, or a combination thereof in the total amount of deposits in contest participants' accounts for the benefit and protection of authorized contest participants' funds held in fantasy contest accounts.

(2) A contest operator that offers fantasy contests in this state which require contest participants to pay an entry fee shall annually contract with a third party to perform an independent audit, consistent with the standards established by the Public Company Accounting Oversight Board, to ensure compliance with this act. The contest operator shall submit the results of the independent audit to the office.

Section 7. Section 546.17, Florida Statutes is created to read:

546.17 Records and reports.—

(1) Each contest operator shall keep and maintain daily records of its operations relevant to compliance with ss. 546.15 and 546.16 and shall maintain such records for a period of at least 3 years. The records must sufficiently detail all financial transactions to determine compliance with the





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requirements of this section and must be available for audit and inspection by the office or other law enforcement agencies during the contest operator's regular business hours. The office shall adopt rules to implement this subsection.

(2) Each contest operator shall file quarterly with the office a report that includes the required records and any additional information deemed necessary by the office. The report shall be submitted on forms prescribed by the office, and are deemed public records once filed.

Section 8. Section 546.18, Florida Statutes, is created to read:

549.18 Consent required.—A contest operator who charges an entry fee to contest participants shall ensure that any fantasy contests involving horseracing have received the consent specified in the Interstate Horseracing Act of 1978, 92 Stat. 1811, 15 U.S.C. ss. 3001 et seq.

Section 9. Section 546.19, Florida Statutes, is created to read:

546.19 Penalties.—In addition to other applicable administrative, civil, and criminal sanctions, a contest operator, or an employee or agent thereof, who violates this act is subject to a civil penalty not to exceed \$5,000 for each violation, not to exceed \$100,000 in the aggregate, which shall accrue to the state. An action to recover such penalties may be brought by the office or the Department of Legal Affairs in the circuit courts in the name and on behalf of the state.

Section 10. Section 546.20, Florida Statutes, is created to read:

546.20 Exemption.—Fantasy contests conducted by a contest



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operator or noncommercial contest operator in accordance with  
this act are not subject to s. 849.01, s. 849.08, s. 849.09, s.  
849.11, s. 849.14, or s. 849.25.

Section 11. The penalty provisions established by s.  
546.18, Florida Statutes, do not apply to a contest operator who  
applies for a license within 90 days after the effective date of  
this act and receives a license within 240 days after the  
effective date of this act.

===== T I T L E   A M E N D M E N T =====

And the title is amended as follows:

Delete line 2

and insert:

An act relating to gaming; creating s. 546.11, F.S.;  
providing a short title; creating s. 546.12, F.S.;  
providing legislative findings and intent; creating s.  
546.13, F.S.; defining terms; creating s. 545.14,  
F.S.; creating the Office of Amusements within the  
Department of Business and Professional Regulation;  
requiring that the office be under the supervision of  
a senior manager who is exempt from the Career Service  
System and is appointed by the secretary of the  
department; providing duties of the office; providing  
for rulemaking; creating s. 546.15, F.S.; providing  
licensing requirements for contest operators offering  
fantasy contests; requiring the office to grant or  
deny a license within a specified timeframe; providing  
that a completed application is deemed approved 120  
days after receipt by the office under certain



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circumstances; providing requirements for the license application; providing that persons or entities are not eligible for licensure under certain circumstances; providing a definition; requiring a contest operator to provide evidence of a surety bond; requiring the surety bond to be kept during the term of the license and any renewal term thereafter; providing that a license may not be issued if it violates the Gaming Compact; authorizing the office to suspend, revoke, or deny a license under certain circumstances; creating s. 546.16, F.S.; requiring a contest operator to implement specified consumer protection procedures; requiring a contest operator to annually contract with a third party to perform an independent audit; requiring a contest operator to submit the audit results to the department; creating s. 546.17, F.S.; requiring contest operators to keep and maintain certain records for a specified period; providing requirements; providing for rulemaking; requiring a contest operator to file a quarterly report with the office; creating s. 546.18, F.S.; requiring a contest operator to obtain certain consent for certain fantasy contests; creating s. 546.19, F.S.; providing a civil penalty; creating s. 546.20, F.S.; exempting fantasy contests from certain provisions in ch. 849, F.S.; providing applicability of penalty provisions; amending s. 550.002, F.S.;



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LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Richter) recommended the following:

**Senate Amendment (with title amendment)**

Before line 208

insert:

Section 1. Effective upon becoming a law, section 24.103, Florida Statutes, is reordered and amended to read:

24.103 Definitions.—As used in this act, the term:

(1) "Department" means the Department of the Lottery.

(6)~~(2)~~ "Secretary" means the secretary of the department.

(3) "Person" means any individual, firm, association, joint



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adventure, partnership, estate, trust, syndicate, fiduciary, corporation, or other group or combination and includes an ~~shall include any~~ agency or political subdivision of the state.

(4) "Point-of-sale terminal" means an electronic device used to process credit card, debit card, or other similar charge card payments at retail locations which is supported by networks that enable verification, payment, transfer of funds, and logging of transactions.

(2)~~(4)~~ "Major procurement" means a procurement for a contract for the printing of tickets for use in any lottery game, consultation services for the startup of the lottery, any goods or services involving the official recording for lottery game play purposes of a player's selections in any lottery game involving player selections, any goods or services involving the receiving of a player's selection directly from a player in any lottery game involving player selections, any goods or services involving the drawing, determination, or generation of winners in any lottery game, the security report services provided for in this act, or any goods and services relating to marketing and promotion which exceed a value of \$25,000.

(5) "Retailer" means a person who sells lottery tickets on behalf of the department pursuant to a contract.

(7)~~(6)~~ "Vendor" means a person who provides or proposes to provide goods or services to the department, but does not include an employee of the department, a retailer, or a state agency.

Section 2. Effective upon becoming a law, present subsections (19) and (20) of section 24.105, Florida Statutes, are redesignated as subsections (20) and (21), respectively, and



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a new subsection (19) is added to that section, to read:

24.105 Powers and duties of department.—The department shall:

(19) Have the authority to create a program that allows a person who is at least 18 years of age to purchase a lottery ticket or game at a point-of-sale terminal. The department may adopt rules to administer the program. Such rules shall include, but are not limited to, the following:

(a) Limiting the dollar amount of lottery tickets or games that a person may purchase at point-of-sale terminals;

(b) Creating a process to enable a customer to restrict or prevent his or her own access to lottery tickets or games; and

(c) Ensuring that the program is administered in a manner that does not breach the exclusivity provisions of any Indian gaming compact to which this state is a party.

Section 3. Effective upon becoming a law, section 24.112, Florida Statutes, is amended to read:

24.112 Retailers of lottery tickets; ~~authorization of vending machines; point-of-sale terminals to dispense lottery tickets.~~—

(1) The department shall promulgate rules specifying the terms and conditions for contracting with retailers who will best serve the public interest and promote the sale of lottery tickets.

(2) In the selection of retailers, the department shall consider factors such as financial responsibility, integrity, reputation, accessibility of the place of business or activity to the public, security of the premises, the sufficiency of existing retailers to serve the public convenience, and the



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projected volume of the sales for the lottery game involved. In the consideration of these factors, the department may require the information it deems necessary of any person applying for authority to act as a retailer. However, the department may not establish a limitation upon the number of retailers and shall make every effort to allow small business participation as retailers. It is the intent of the Legislature that retailer selections be based on business considerations and the public convenience and that retailers be selected without regard to political affiliation.

(3) The department may ~~shall~~ not contract with any person as a retailer who:

(a) Is less than 18 years of age.

(b) Is engaged exclusively in the business of selling lottery tickets; however, this paragraph may ~~shall~~ not preclude the department from selling lottery tickets.

(c) Has been convicted of, or entered a plea of guilty or nolo contendere to, a felony committed in the preceding 10 years, regardless of adjudication, unless the department determines that:

1. The person has been pardoned or the person's civil rights have been restored;

2. Subsequent to such conviction or entry of plea the person has engaged in the kind of law-abiding commerce and good citizenship that would reflect well upon the integrity of the lottery; or

3. If the person is a firm, association, partnership, trust, corporation, or other entity, the person has terminated its relationship with the individual whose actions directly



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contributed to the person's conviction or entry of plea.

(4) The department shall issue a certificate of authority to each person with whom it contracts as a retailer for purposes of display pursuant to subsection (6). The issuance of the certificate may ~~shall~~ not confer upon the retailer any right apart from that specifically granted in the contract. The authority to act as a retailer may ~~shall~~ not be assignable or transferable.

(5) A ~~Any~~ contract executed by the department pursuant to this section shall specify the reasons for any suspension or termination of the contract by the department, including, but not limited to:

(a) Commission of a violation of this act or rule adopted pursuant thereto.

(b) Failure to accurately account for lottery tickets, revenues, or prizes as required by the department.

(c) Commission of any fraud, deceit, or misrepresentation.

(d) Insufficient sale of tickets.

(e) Conduct prejudicial to public confidence in the lottery.

(f) Any material change in any matter considered by the department in executing the contract with the retailer.

(6) Each ~~Every~~ retailer shall post and keep conspicuously displayed in a location on the premises accessible to the public its certificate of authority and, with respect to each game, a statement supplied by the department of the estimated odds of winning a ~~some~~ prize for the game.

(7) A ~~No~~ contract with a retailer may not ~~shall~~ authorize the sale of lottery tickets at more than one location, and a





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retailer may sell lottery tickets only at the location stated on the certificate of authority.

(8) With respect to any retailer whose rental payments for premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales, and where such computation of retail sales is not explicitly defined to include sales of tickets in a state-operated lottery, the compensation received by the retailer from the department shall be deemed to be the amount of the retail sale for the purposes of such contractual compensation.

(9)(a) The department may require each ~~every~~ retailer to post an appropriate bond as determined by the department, using an insurance company acceptable to the department, in an amount not to exceed twice the average lottery ticket sales of the retailer for the period within which the retailer is required to remit lottery funds to the department. For the first 90 days of sales of a new retailer, the amount of the bond may not exceed twice the average estimated lottery ticket sales for the period within which the retailer is required to remit lottery funds to the department. This paragraph does ~~shall~~ not apply to lottery tickets that ~~which~~ are prepaid by the retailer.

(b) In lieu of such bond, the department may purchase blanket bonds covering all or selected retailers or may allow a retailer to deposit and maintain with the Chief Financial Officer securities that are interest bearing or accruing and that, with the exception of those specified in subparagraphs 1. and 2., are rated in one of the four highest classifications by an established nationally recognized investment rating service. Securities eligible under this paragraph shall be limited to:



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1. Certificates of deposit issued by solvent banks or savings associations organized and existing under the laws of this state or under the laws of the United States and having their principal place of business in this state.

2. United States bonds, notes, and bills for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest.

3. General obligation bonds and notes of any political subdivision of the state.

4. Corporate bonds of any corporation that is not an affiliate or subsidiary of the depositor.

Such securities shall be held in trust and shall have at all times a market value at least equal to an amount required by the department.

(10) Each ~~Every~~ contract entered into by the department pursuant to this section shall contain a provision for payment of liquidated damages to the department for any breach of contract by the retailer.

(11) The department shall establish procedures by which each retailer shall account for all tickets sold by the retailer and account for all funds received by the retailer from such sales. The contract with each retailer shall include provisions relating to the sale of tickets, payment of moneys to the department, reports, service charges, and interest and penalties, if necessary, as the department shall deem appropriate.

(12) ~~No~~ Payment by a retailer to the department for tickets may not ~~shall~~ be in cash. All such payments shall be in the form



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of a check, bank draft, electronic fund transfer, or other financial instrument authorized by the secretary.

(13) Each retailer shall provide accessibility for disabled persons on habitable grade levels. This subsection does not apply to a retail location that ~~which~~ has an entrance door threshold more than 12 inches above ground level. As used in ~~herein and for purposes of~~ this subsection ~~only~~, the term "accessibility for disabled persons on habitable grade levels" means that retailers shall provide ramps, platforms, aisles and pathway widths, turnaround areas, and parking spaces to the extent these are required for the retailer's premises by the particular jurisdiction where the retailer is located. Accessibility shall be required to only one point of sale of lottery tickets for each lottery retailer location. The requirements of this subsection shall be deemed to have been met if, in lieu of the foregoing, disabled persons can purchase tickets from the retail location by means of a drive-up window, provided the hours of access at the drive-up window are not less than those provided at any other entrance at that lottery retailer location. Inspections for compliance with this subsection shall be performed by those enforcement authorities responsible for enforcement pursuant to s. 553.80 in accordance with procedures established by those authorities. Those enforcement authorities shall provide to the Department of the Lottery a certification of noncompliance for any lottery retailer not meeting such requirements.

(14) The secretary may, after filing with the Department of State his or her manual signature certified by the secretary under oath, execute or cause to be executed contracts between



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the department and retailers by means of engraving, imprinting, stamping, or other facsimile signature.

(15) A vending machine may be used to dispense online lottery tickets, instant lottery tickets, or both online and instant lottery tickets.

(a) The vending machine must:

1. Dispense a lottery ticket after a purchaser inserts a coin or currency in the machine.

2. Be capable of being electronically deactivated for a period of 5 minutes or more.

3. Be designed to prevent its use for any purpose other than dispensing a lottery ticket.

(b) In order to be authorized to use a vending machine to dispense lottery tickets, a retailer must:

1. Locate the vending machine in the retailer's direct line of sight to ensure that purchases are only made by persons at least 18 years of age.

2. Ensure that at least one employee is on duty when the vending machine is available for use. However, if the retailer has previously violated s. 24.1055, at least two employees must be on duty when the vending machine is available for use.

(c) A vending machine that dispenses a lottery ticket may dispense change to a purchaser but may not be used to redeem any type of winning lottery ticket.

(d) The vending machine, or any machine or device linked to the vending machine, may not include or make use of video reels or mechanical reels or other video depictions of slot machine or casino game themes or titles for game play. This does not preclude the use of casino game themes or titles on such tickets



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or signage or advertising displays on the machines.

(16) The department, a retailer operating from one or more locations, or a vendor approved by the department may use a point-of-sale terminal to facilitate the sale of a lottery ticket or game.

(a) A point-of-sale terminal must:

1. Dispense a paper lottery ticket with numbers selected by the purchaser or selected randomly by the machine after the purchaser uses a credit card, debit card, or other similar charge card issued by a bank, savings association, credit union, or charge card company or issued by a retailer pursuant to part II of chapter 520 for payment;

2. Recognize a valid driver license or use another age verification process approved by the department to ensure that only persons at least 18 years of age may purchase a lottery ticket or game;

3. Process a lottery transaction through a platform that is certified or otherwise approved by the department; and

4. Be in compliance with all applicable department requirements related to the lottery ticket or game offered for sale.

(b) A point-of-sale terminal does not reveal winning numbers, which are selected at a subsequent time and different location through a drawing by the state lottery.

(c) A point-of-sale terminal, or any machine or device linked to the point-of-sale terminal, may not include or make use of video reels or mechanical reels or other video depictions of slot machine or casino game themes or titles for game play. This does not preclude the use of casino game themes or titles



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on a lottery ticket or game or on the signage or advertising  
displays on the terminal.

(d) A point-of-sale terminal may not be used to redeem a  
winning ticket.

Delete line 2331

and insert:

United States Department of the Interior, and except as  
otherwise expressly provided and except for this section, which  
shall take effect upon becoming a law, this act shall

===== T I T L E   A M E N D M E N T =====

And the title is amended as follows:

Delete lines 2 - 204

and insert:

An act relating to gaming; amending s. 24.103, F.S.;  
defining the term "point-of-sale terminal"; amending  
s. 24.105, F.S.; authorizing the Department of the  
Lottery to create a program that authorizes certain  
persons to purchase a ticket or game at a point-of-  
sale terminal; authorizing the department to adopt  
rules; providing requirements for the rules; amending  
s. 24.112, F.S.; authorizing the department, a  
retailer operating from one or more locations, or a  
vendor approved by the department to use a point-of-  
sale terminal to sell a lottery ticket or game;  
requiring a point-of-sale terminal to perform certain  
functions; specifying that the point-of-sale terminal  
may not reveal winning numbers; prohibiting a point-



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of-sale terminal from including or making use of video  
reels or mechanical reels or other video depictions of  
slot machine or casino game themes or titles for game  
play; prohibiting a point-of-sale terminal from being  
used to redeem a winning ticket; amending s. 550.002,  
F.S.; amending s. 550.002, F.S.; redefining the term  
"full schedule of live racing or games"; defining the  
term "video race system"; amending s. 550.01215, F.S.;  
revising provisions for applications for pari-mutuel  
operating licenses; authorizing a greyhound racing  
permitholder to specify certain intentions on its  
application; authorizing a greyhound racing  
permitholder to receive an operating license to  
conduct pari-mutuel wagering activities at another  
permitholder's greyhound racing facility; limiting the  
number of pari-mutuel wagering operating licenses that  
may be issued each year; authorizing the Division of  
Pari-mutuel Wagering of the Department of Business and  
Professional Regulation to approve changes in racing  
dates for greyhound racing permitholders under certain  
circumstances; providing requirements for licensure of  
certain jai alai permitholders; deleting a provision  
for conversion of certain converted permits to jai  
alai permits; amending s. 550.0251, F.S.; requiring  
the division to annually report to the Governor and  
the Legislature; specifying requirements for the  
content of the report; amending s. 550.054, F.S.;  
requiring the division to revoke a pari-mutuel  
wagering operating permit under certain circumstances;



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prohibiting issuance or approval of new pari-mutuel permits after a specified date; authorizing a permitholder to apply to the division to place a permit in inactive status; revising provisions that prohibit transfer or assignment of a pari-mutuel permit; prohibiting transfer or assignment of a pari-mutuel permit or license under certain conditions; prohibiting relocation of a pari-mutuel facility, cardroom, or slot machine facility or conversion of pari-mutuel permits to a different class; providing for approval of the relocation of such permits; deleting provisions for certain converted permits; repealing s. 550.0555, F.S., relating to the relocation of greyhound racing permits; repealing s. 550.0745, F.S., relating to the conversion of pari-mutuel permits to summer jai alai permits; amending s. 550.0951, F.S.; deleting provisions for certain credits for a greyhound racing permitholder; revising the tax on handle for live greyhound racing and intertrack wagering if the host track is a greyhound racing track; requiring a tax on handle and fees for video race licensees; specifying how fees may be used by the department and the Department of Law Enforcement; amending s. 550.09511, F.S.; conforming a cross-reference; amending s. 550.09512, F.S.; providing for the revocation of certain harness horse racing permits; specifying that a revoked permit may not be reissued; amending s. 550.09514, F.S.; deleting certain provisions that prohibit tax on handle until a





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specified amount of tax savings have resulted;  
revising purse requirements of a greyhound racing  
permitholder that conducts live racing; amending s.  
550.09515, F.S.; providing for the revocation of  
certain thoroughbred racing permits; specifying that a  
revoked permit may not be reissued; amending s.  
550.1625, F.S.; deleting the requirement that a  
greyhound racing permitholder pay the breaks tax;  
repealing s. 550.1647, F.S., relating to unclaimed  
tickets and breaks held by greyhound racing  
permitholders; amending s. 550.1648, F.S.; revising  
requirements for a greyhound racing permitholder to  
provide a greyhound adoption booth at its facility;  
requiring sterilization of greyhounds before adoption;  
authorizing the fee for such sterilization to be  
included in the cost of adoption; defining the term  
"bona fide organization that promotes or encourages  
the adoption of greyhounds"; creating s. 550.1751,  
F.S.; defining terms; authorizing certain pari-mutuel  
permitholders to enter into agreements to sell and  
transfer permits to certain bidders; requiring that  
such permits be surrendered to the division and  
voided; creating s. 550.1752, F.S.; creating the  
permit reduction program within the division;  
providing a purpose for the program; providing for  
funding for the program up to a specified maximum  
amount; requiring the division to purchase pari-mutuel  
permits from permitholders under certain  
circumstances; requiring that permitholders who wish



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to make an offer to sell meet certain requirements;  
requiring the division to adopt a certain form by  
rule; requiring that the division establish the value  
of a pari-mutuel permit based on the valuation of one  
or more independent appraisers; authorizing the  
division to establish a value that is lower than the  
valuation of the independent appraiser; requiring the  
division to accept the offers that best utilize  
available funding; requiring the division to cancel  
permits that it purchases through the program;  
providing for expiration of the program; creating s.  
550.2416, F.S.; requiring injuries to racing  
greyhounds to be reported within a certain timeframe  
on a form adopted by the division; requiring such form  
to be completed and signed under oath or affirmation  
by certain individuals; providing penalties;  
specifying information that must be included in the  
form; requiring the division to maintain the forms as  
public records for a specified time; specifying  
disciplinary action that may be taken against a  
licensee of the Department of Business and  
Professional Regulation who fails to report an injury  
or who makes false statements on an injury form;  
exempting injuries to certain animals from reporting  
requirements; requiring the division to adopt rules;  
amending s. 550.26165, F.S.; conforming a cross-  
reference; amending s. 550.3345, F.S.; revising  
provisions for a permit previously converted from a  
quarter horse racing permit to a limited thoroughbred



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417 racing permit; amending s. 550.3551, F.S.; deleting a  
418 provision that limits the number of out-of-state races  
419 on which wagers are accepted by a greyhound racing  
420 permitholder; deleting a provision prohibiting a  
421 permitholder from conducting fewer than eight live  
422 races or games under certain circumstances; deleting a  
423 provision requiring certain permitholders to conduct a  
424 full schedule of live racing to receive certain full-  
425 card broadcasts and accept certain wagers; amending s.  
426 550.375, F.S.; conforming a cross-reference; amending  
427 s. 550.615, F.S.; revising provisions relating to  
428 intertrack wagering; amending s. 550.6305, F.S.;  
429 revising provisions requiring that certain simulcast  
430 signals be made available to certain permitholders;  
431 authorizing certain permitholders of a converted  
432 permit to accept wagers on certain rebroadcasts;  
433 amending s. 550.6308, F.S.; revising the number of  
434 days of thoroughbred horse sales required to obtain a  
435 limited intertrack wagering license; revising  
436 provisions for such wagering; amending s. 551.101,  
437 F.S.; revising provisions that authorize slot machine  
438 gaming at certain facilities; amending s. 551.102,  
439 F.S.; revising definitions of the terms "eligible  
440 facility" and "slot machine licensee" for purposes of  
441 provisions relating to slot machines; amending s.  
442 551.104, F.S.; providing that an application to  
443 conduct slot machine gaming may be authorized only if  
444 it would not trigger a reduction in revenue-sharing  
445 under the Gaming Compact between the Seminole Tribe of



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Florida and the State of Florida; specifying the facilities that may be authorized by the division to conduct slot machine gaming; exempting certain greyhound racing and thoroughbred racing permitholders from a requirement that they conduct a full schedule of live racing as a condition of maintaining authority to conduct slot machine gaming; requiring licensees to withhold a specified percentage of net revenue from specified sources; creating s. 551.1041, F.S.; authorizing an additional slot machine license to be issued to a pari-mutuel permitholder for a facility in Miami-Dade County and in Palm Beach County, subject to approval by a majority of voters in a referendum in each county; providing for the conduct of the referendum; establishing the process for the issuance of new licenses; requiring that applications be made by sealed bids to the division, subject to specified prequalification procedures and requirements; specifying a minimum bid amount; authorizing a specified number of slot machines and video race terminals for play; providing requirements for slot machines and video race terminals; defining the term "video race terminal"; providing requirements for the use of net revenue withheld from certain slot machine licensees; creating s. 551.1042, F.S.; prohibiting the transfer of a slot machine license or relocation of a slot machine facility; amending s. 551.106, F.S.; deleting obsolete provisions; revising the tax rate on slot machine revenues under certain conditions;



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amending s. 551.114, F.S.; decreasing the number of slot machines available for play at certain facilities; requiring that specified permitholders' designated slot machine gaming areas be located within the eligible facility for which the initial license was issued; amending s. 551.116, F.S.; deleting a restriction on the number of hours that slot machine gaming areas may be open; amending s. 551.121, F.S.; authorizing the serving of complimentary or reduced-cost alcoholic beverages to a person playing a slot machine; authorizing the location of an automated teller machine or similar device within designated slot machine gaming areas; amending s. 849.086, F.S.; amending legislative intent; revising definitions; authorizing certain thoroughbred racing permitholders to operate a cardroom at a specified slot facility under certain circumstances; deleting certain license renewal requirements; authorizing certain cardroom operators to offer certain designated player games; providing limits on wagers for such games; providing playing requirements for designated players; requiring each seated player to be afforded the temporary opportunity to be the designated player; prohibiting certain persons from being designated players; providing requirements for designated player games; providing that the division may only approve cardroom operators to conduct certain designated player games; requiring certain harness horse racing permitholders to use at least 50 percent of monthly net proceeds in



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504 specified ways; conforming provisions to changes made  
505 by the act; directing the division to revoke certain  
506 pari-mutuel permits; specifying that the revoked  
507 permits may not be reissued; providing for  
508 nonseverability; providing a contingent effective  
509 date.



594538

LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Negron) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 473 - 520

and insert:

(14) ~~(a) The holder Any holder of a permit to conduct jai alai may apply to the division to convert such permit to a permit to conduct greyhound racing in lieu of jai alai if:~~

~~1. Such permit is located in a county in which the division has issued only two pari-mutuel permits pursuant to this section;~~



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2. ~~Such permit was not previously converted from any other class of permit; and~~

3. ~~The holder of the permit has not conducted jai alai games during a period of 10 years immediately preceding his or her application for conversion under this subsection.~~

~~(b) The division, upon application from the holder of a jai alai permit meeting all conditions of this section, shall convert the permit and shall issue to the permitholder a permit to conduct greyhound racing. A permitholder of a permit converted pursuant to former s. 550.054(14), Florida Statutes 2015, as created by s. 6, chapter 2009-170, Laws of Florida, must under this section shall be required to apply for and conduct a full schedule of live racing each fiscal year to be eligible for any tax credit provided by this chapter. Upon application from the holder of a permit converted pursuant to former s. 550.054(14), Florida Statutes 2015, as created by s. 6, chapter 2009-170, Laws of Florida, this subsection or any holder of a permit to conduct greyhound racing located in a county for in which it is the only one permit has been issued pursuant to this section and which who operates at a leased facility pursuant to s. 550.475, the division may approve the relocation may move the location for which the permit has been issued to another location within a 30-mile radius of the location fixed in the permit if the application is received by July 31, 2018, the location is within the same issued in that county, provided the move does not cross the county boundary, and the such location is approved under the zoning regulations of the county or municipality in which the permit is located.~~

and Upon such relocation, the permitholder may use the permit





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for the conduct of pari-mutuel wagering and the operation of a  
cardroom. Section ~~The provisions of s.~~ 550.6305(9)(d) and (f)  
~~shall~~ apply to any permit converted under this subsection and  
shall continue to apply to any permit which was previously  
included under and subject to those ~~such~~ provisions before a  
conversion pursuant to this section occurred.

===== T I T L E   A M E N D M E N T =====

And the title is amended as follows:

Delete lines 33 - 38

and insert:

license under certain conditions; deleting provisions  
authorizing jai alai permitholders to convert such  
permits to permits to conduct greyhound racing under  
certain circumstances; providing that such provisions  
still apply to permits that have been converted under  
certain circumstances; repealing s. 550.0555,



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LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Negron) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 1105 - 2309  
and insert:

Section 15. Section 550.1752, Florida Statutes, is created  
to read:

550.1752 Permit reduction program.—

(1) The permit reduction program is created in the Division  
of Pari-mutuel Wagering for the purpose of purchasing and  
cancelling active pari-mutuel permits. The program shall be



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11 funded from revenue share payments made by the Seminole Tribe of  
12 Florida under the compact ratified by s. 285.710(3) and received  
13 by the state after October 31, 2015. Compact payments payable  
14 for the program shall be calculated on a monthly basis until  
15 such time as the division determines that sufficient funds are  
16 available to fund the program. The total funding allocated to  
17 the program may not exceed \$20 million.

18 (2) The division shall purchase pari-mutuel permits from  
19 pari-mutuel permitholders when sufficient moneys are available  
20 for such purchases. A pari-mutuel permitholder may not submit an  
21 offer to sell a permit unless it is actively conducting pari-  
22 mutuel racing or jai alai as required by law and satisfies all  
23 applicable requirements for the permit. The division shall adopt  
24 by rule the form to be used by a pari-mutuel permitholder for an  
25 offer to sell a permit and shall establish a schedule for the  
26 consideration of offers.

27 (3) The division shall establish the value of a pari-mutuel  
28 permit based upon the valuation of one or more independent  
29 appraisers selected by the division. The valuation of a permit  
30 must be based on the permit's fair market value and may not  
31 include the value of the real estate or personal property. The  
32 division may establish a value for the permit that is lower than  
33 the amount determined by an independent appraiser but may not  
34 establish a higher value.

35 (4) The division must accept the offer or offers that best  
36 utilize available funding; however, the division may also accept  
37 the offers that it determines are most likely to reduce the  
38 incidence of gaming in this state.

39 (5) The division shall cancel any permit purchased under



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this section.

(6) This section shall expire on July 1, 2018, unless reenacted by the Legislature.

Section 16. Effective July 1, 2018, section 550.1752, Florida Statutes, as amended by this act, is amended to read:

550.1752 Thoroughbred purse supplement ~~Permit reduction~~ program.—

(1) The thoroughbred purse supplement ~~permit reduction~~ program is created in the Division of Pari-mutuel Wagering for the purpose of maintaining an active and viable live thoroughbred racing, owning, and breeding industry in the state ~~purchasing and cancelling active pari-mutuel permits~~. The program shall be funded from revenue share payments made by the Seminole Tribe of Florida under the compact ratified by s. 285.710(3) and received by the state after July 1, 2018 ~~October 31, 2015~~. Compact payments payable for the program shall be calculated on a monthly basis until such time as the division determines that sufficient funds are available to fund the program. The total annual funding allocated to the program is ~~may not exceed~~ \$20 million.

(2) ~~The division shall purchase pari-mutuel permits from pari-mutuel permitholders when sufficient moneys are available for such purchases. A pari-mutuel permitholder may not submit an offer to sell a permit unless it is actively conducting pari-mutuel racing or jai alai as required by law and satisfies all applicable requirements for the permit.~~ The division shall adopt by rule the form to be used by a pari-mutuel permitholder for applying to receive purse assistance from the program to be used to supplement purses for its live racing meet ~~an offer to sell a~~



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~~permit and shall establish a schedule for the consideration of offers.~~

(3) The division shall distribute the purse supplement funds on a pro rata basis based upon the number of live race days to be conducted by each thoroughbred permitholder pursuant to its annual racing license ~~establish the value of a pari-mutuel permit based upon the valuation of one or more independent appraisers selected by the division. The valuation of a permit must be based on the permit's fair market value and may not include the value of the real estate or personal property. The division may establish a value for the permit that is lower than the amount determined by an independent appraiser but may not establish a higher value.~~

(4) If a thoroughbred permitholder fails to conduct a live race day, the thoroughbred permitholder must return the unused purse supplement fund allocated for that day, and the division shall reapportion the allocation of purse supplement funds to the remaining race days to be conducted during the state fiscal year by that thoroughbred permitholder ~~The division must accept the offer or offers that best utilize available funding; however, the division may also accept the offers that it determines are most likely to reduce the incidence of gaming in this state.~~

(5) The division may adopt rules necessary to implement this section ~~shall cancel any permit purchased under this section.~~

~~(6) This section shall expire on July 1, 2018, unless reenacted by the Legislature.~~

Section 17. Section 550.2416, Florida Statutes, is created



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to read:

550.2416 Reporting of racing greyhound injuries.—

(1) An injury to a racing greyhound which occurs while the greyhound is located in this state must be reported on a form adopted by the division within 7 days after the date on which the injury occurred or is believed to have occurred. The division may adopt rules defining the term "injury."

(2) The form shall be completed and signed under oath or affirmation by the:

(a) Racetrack veterinarian or director of racing, if the injury occurred at the racetrack facility; or

(b) Owner, trainer, or kennel operator who had knowledge of the injury, if the injury occurred at a location other than the racetrack facility, including during transportation.

(3) The division may fine, suspend, or revoke the license of any individual who knowingly violates this section.

(4) The form must include the following:

(a) The greyhound's registered name, right-ear and left-ear tattoo numbers, and, if any, the microchip manufacturer and number.

(b) The name, business address, and telephone number of the greyhound owner, the trainer, and the kennel operator.

(c) The color, weight, and sex of the greyhound.

(d) The specific type and bodily location of the injury, the cause of the injury, and the estimated recovery time from the injury.

(e) If the injury occurred when the greyhound was racing:

1. The racetrack where the injury occurred;

2. The distance, grade, race, and post position of the



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greyhound when the injury occurred; and

3. The weather conditions, time, and track conditions when the injury occurred.

(f) If the injury occurred when the greyhound was not racing:

1. The location where the injury occurred, including, but not limited to, a kennel, a training facility, or a transportation vehicle; and

2. The circumstances surrounding the injury.

(g) Other information that the division determines is necessary to identify injuries to racing greyhounds in this state.

(5) An injury form created pursuant to this section must be maintained as a public record by the division for at least 7 years after the date it was received.

(6) A licensee of the department who knowingly makes a false statement concerning an injury or fails to report an injury is subject to disciplinary action under this chapter or chapters 455 and 474.

(7) This section does not apply to injuries to a service animal, personal pet, or greyhound that has been adopted as a pet.

(8) The division shall adopt rules to implement this section.

Section 18. Subsection (1) of section 550.26165, Florida Statutes, is amended to read:

550.26165 Breeders' awards.—

(1) The purpose of this section is to encourage the agricultural activity of breeding and training racehorses in



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this state. Moneys dedicated in this chapter for use as breeders' awards and stallion awards are to be used for awards to breeders of registered Florida-bred horses winning horseraces and for similar awards to the owners of stallions who sired Florida-bred horses winning stakes races, if the stallions are registered as Florida stallions standing in this state. Such awards shall be given at a uniform rate to all winners of the awards, may ~~shall~~ not be greater than 20 percent of the announced gross purse, and may ~~shall~~ not be less than 15 percent of the announced gross purse if funds are available. In addition, at least ~~no less than~~ 17 percent, but not ~~nor~~ more than 40 percent, as determined by the Florida Thoroughbred Breeders' Association, of the moneys dedicated in this chapter for use as breeders' awards and stallion awards for thoroughbreds shall be returned pro rata to the permitholders that generated the moneys for special racing awards to be distributed by the permitholders to owners of thoroughbred horses participating in prescribed thoroughbred stakes races, nonstakes races, or both, all in accordance with a written agreement establishing the rate, procedure, and eligibility requirements for such awards entered into by the permitholder, the Florida Thoroughbred Breeders' Association, and the Florida Horsemen's Benevolent and Protective Association, Inc., except that the plan for the distribution by any permitholder located in the area described in s. 550.615(7) ~~s. 550.615(9)~~ shall be agreed upon by that permitholder, the Florida Thoroughbred Breeders' Association, and the association representing a majority of the thoroughbred racehorse owners and trainers at that location. Awards for thoroughbred races are to be paid





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through the Florida Thoroughbred Breeders' Association, and awards for standardbred races are to be paid through the Florida Standardbred Breeders and Owners Association. Among other sources specified in this chapter, moneys for thoroughbred breeders' awards will come from the 0.955 percent of handle for thoroughbred races conducted, received, broadcast, or simulcast under this chapter as provided in s. 550.2625(3). The moneys for quarter horse and harness breeders' awards will come from the breaks and uncashed tickets on live quarter horse and harness horse racing performances and 1 percent of handle on intertrack wagering. The funds for these breeders' awards shall be paid to the respective breeders' associations by the permitholders conducting the races.

Section 19. Section 550.3345, Florida Statutes, is amended to read:

550.3345 ~~Conversion of quarter horse permit to a~~ Limited thoroughbred racing permit.—

(1) In recognition of the important and long-standing economic contribution of the thoroughbred horse breeding industry to this state and the state's vested interest in promoting the continued viability of this agricultural activity, the state intends to provide a limited opportunity for the conduct of live thoroughbred horse racing with the net revenues from such racing dedicated to the enhancement of thoroughbred purses and breeders', stallion, and special racing awards under this chapter; the general promotion of the thoroughbred horse breeding industry; and the care in this state of thoroughbred horses retired from racing.

(2) A limited thoroughbred racing permit previously



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converted from ~~Notwithstanding any other provision of law, the~~  
~~holder of a quarter horse racing permit pursuant to chapter~~  
~~2010-29, Laws of Florida, issued under s. 550.334 may only be~~  
~~held by, within 1 year after the effective date of this section,~~  
~~apply to the division for a transfer of the quarter horse racing~~  
~~permit to~~ a not-for-profit corporation formed under state law to  
serve the purposes of the state as provided in subsection (1).  
The board of directors of the not-for-profit corporation must be  
~~composed~~ comprised of 11 members, 4 of whom shall be designated  
by the applicant, 4 of whom shall be designated by the Florida  
Thoroughbred Breeders' Association, and 3 of whom shall be  
designated by the other 8 directors, with at least 1 of these 3  
members being an authorized representative of another  
thoroughbred racing permitholder in this state. A limited  
thoroughbred racing ~~The not-for-profit corporation shall submit~~  
~~an application to the division for review and approval of the~~  
~~transfer in accordance with s. 550.054. Upon approval of the~~  
~~transfer by the division, and notwithstanding any other~~  
~~provision of law to the contrary, the not-for-profit corporation~~  
~~may, within 1 year after its receipt of the permit, request that~~  
~~the division convert the quarter horse racing permit to a permit~~  
~~authorizing the holder to conduct pari-mutuel wagering meets of~~  
~~thoroughbred racing. Neither the transfer of the quarter horse~~  
~~racing permit nor its conversion to a limited thoroughbred~~  
~~permit shall be subject to the mileage limitation or the~~  
~~ratification election as set forth under s. 550.054(2) or s.~~  
~~550.0651. Upon receipt of the request for such conversion, the~~  
~~division shall timely issue a converted permit. The converted~~  
permit and the not-for-profit corporation are ~~shall be~~ subject



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to the following requirements:

(a) All net revenues derived by the not-for-profit corporation under the thoroughbred ~~horse~~ racing permit, after the funding of operating expenses and capital improvements, shall be dedicated to the enhancement of thoroughbred purses and breeders', stallion, and special racing awards under this chapter; the general promotion of the thoroughbred horse breeding industry; and the care in this state of thoroughbred horses retired from racing.

(b) From December 1 through April 30, ~~no~~ live thoroughbred racing may not be conducted under the permit on any day during which another thoroughbred racing permitholder is conducting live thoroughbred racing within 125 air miles of the not-for-profit corporation's pari-mutuel facility unless the other thoroughbred racing permitholder gives its written consent.

(c) ~~After the conversion of the quarter horse racing permit and~~ the issuance of its initial license to conduct pari-mutuel wagering meets of thoroughbred racing, the not-for-profit corporation shall annually apply to the division for a license pursuant to s. 550.5251.

(d) Racing under the permit may take place only at the location for which the original quarter horse racing permit was issued, which may be leased by the not-for-profit corporation for that purpose; however, the not-for-profit corporation may, without the conduct of any ratification election pursuant to s. 550.054(13) or s. 550.0651, move the location of the permit to another location in the same county or counties, if a permit is situated in such a manner that it is located in more than one county, provided that such relocation is approved under the



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zoning and land use regulations of the applicable county or municipality.

(e) A limited thoroughbred racing ~~No permit may not be transferred converted under this section is eligible for transfer~~ to another person or entity.

(3) Unless otherwise provided in this section, ~~after conversion,~~ the permit and the not-for-profit corporation shall be treated under the laws of this state as a thoroughbred racing permit and as a thoroughbred racing permitholder, respectively, with the exception of ss. 550.054(9)(c) and (d) and s. 550.09515(3).

Section 20. Subsection (6) of section 550.3551, Florida Statutes, is amended to read:

550.3551 Transmission of racing and jai alai information; commingling of pari-mutuel pools.—

(6) (a) ~~A maximum of 20 percent of the total number of races on which wagers are accepted by a greyhound permitholder not located as specified in s. 550.615(6) may be received from locations outside this state. A permitholder may not conduct fewer than eight live races or games on any authorized race day except as provided in this subsection.~~ A thoroughbred racing permitholder may not conduct fewer than eight live races on any race day without the written approval of the Florida Thoroughbred Breeders' Association and the Florida Horsemen's Benevolent and Protective Association, Inc., unless it is determined by the department that another entity represents a majority of the thoroughbred racehorse owners and trainers in the state. A harness horse racing permitholder may conduct fewer than eight live races on any authorized race day, except that



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such permitholder must conduct a full schedule of live racing during its race meet consisting of at least eight live races per authorized race day for at least 100 days. ~~Any harness horse permitholder that during the preceding racing season conducted a full schedule of live racing may, at any time during its current race meet, receive full-card broadcasts of harness horse races conducted at harness racetracks outside this state at the harness track of the permitholder and accept wagers on such harness races.~~ With specific authorization from the division for special racing events, a permitholder may conduct fewer than eight live races or games when the permitholder also broadcasts out-of-state races or games. The division may not grant more than two such exceptions a year for a permitholder in any 12-month period, and those two exceptions may not be consecutive.

(b) Notwithstanding any other provision of this chapter, any harness horse racing permitholder accepting broadcasts of out-of-state harness horse races when such permitholder is not conducting live races must make the out-of-state signal available to all permitholders eligible to conduct intertrack wagering and shall pay to guest tracks located as specified in s. ss. 550.615(6) and 550.6305(9) (d) 50 percent of the net proceeds after taxes and fees to the out-of-state host track on harness horse race wagers which they accept. A harness horse racing permitholder shall be required to pay into its purse account 50 percent of the net income retained by the permitholder on account of wagering on the out-of-state broadcasts received pursuant to this subsection. Nine-tenths of a percent of all harness horse race wagering proceeds on the broadcasts received pursuant to this subsection shall be paid to



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the Florida Standardbred Breeders and Owners Association under the provisions of s. 550.2625(4) for the purposes provided therein.

Section 21. Subsection (4) of section 550.375, Florida Statutes, is amended to read:

550.375 Operation of certain harness tracks.—

(4) The permitholder conducting a harness horse race meet must pay the daily license fee, the admission tax, the tax on breaks, and the tax on pari-mutuel handle provided in s. 550.0951 and is subject to all penalties and sanctions provided in s. 550.0951(7) ~~s. 550.0951(6)~~.

Section 22. Section 550.475, Florida Statutes, is amended to read:

550.475 Lease of pari-mutuel facilities by pari-mutuel permitholders.—Holders of valid pari-mutuel permits for the conduct of any jai alai games, dogracing, or thoroughbred and standardbred horse racing in this state are entitled to lease any and all of their facilities to any other holder of a same class, valid pari-mutuel permit for jai alai games, dogracing, or thoroughbred or standardbred horse racing, when they are located within a 35-mile radius of each other, ~~and~~ and such lessee is entitled to a permit and license to operate its race meet or jai alai games at the leased premises. A permitholder may not lease facilities from a pari-mutuel permitholder that is not conducting a full schedule of live racing.

Section 23. Subsection (1) of section 550.5251, Florida Statutes, is amended, and present subsections (2) and (3) of that section are redesignated as subsections (1) and (2), respectively, to read:



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550.5251 Florida thoroughbred racing; certain permits;  
operating days.—

~~(1) Each thoroughbred permitholder shall annually, during the period commencing December 15 of each year and ending January 4 of the following year, file in writing with the division its application to conduct one or more thoroughbred racing meetings during the thoroughbred racing season commencing on the following July 1. Each application shall specify the number and dates of all performances that the permitholder intends to conduct during that thoroughbred racing season. On or before March 15 of each year, the division shall issue a license authorizing each permitholder to conduct performances on the dates specified in its application. Up to February 28 of each year, each permitholder may request and shall be granted changes in its authorized performances; but thereafter, as a condition precedent to the validity of its license and its right to retain its permit, each permitholder must operate the full number of days authorized on each of the dates set forth in its license.~~

Section 24. Subsections (2), (4), (6), and (7) of section 550.615, Florida Statutes, are amended, present subsections (8), (9), and (10) of that section are redesignated as subsections (6), (7), and (8), respectively, present subsection (9) of that section is amended, and a new subsection (9) is added to that section, to read:

550.615 Intertrack wagering.—

(2) A ~~Any~~ track or fronton licensed under this chapter which has conducted a full schedule of live racing for at least 5 consecutive calendar years since 2010 ~~in the preceding year conducted a full schedule of live racing~~ is qualified to, at any



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time, receive broadcasts of any class of pari-mutuel race or game and accept wagers on such races or games conducted by any class of permitholders licensed under this chapter.

(4) ~~An In no event shall any~~ intertrack wager may not be accepted on the same class of live races or games of any permitholder without the written consent of such operating permitholders conducting the same class of live races or games if the guest track is within the market area of such operating permitholder. A greyhound racing permitholder licensed under this chapter which accepts intertrack wagers on live greyhound signals is not required to obtain the written consent required by this subsection from any operating greyhound racing permitholder within its market area.

~~(6) Notwithstanding the provisions of subsection (3), in any area of the state where there are three or more horserace permitholders within 25 miles of each other, intertrack wagering between permitholders in said area of the state shall only be authorized under the following conditions: Any permitholder, other than a thoroughbred permitholder, may accept intertrack wagers on races or games conducted live by a permitholder of the same class or any harness permitholder located within such area and any harness permitholder may accept wagers on games conducted live by any jai alai permitholder located within its market area and from a jai alai permitholder located within the area specified in this subsection when no jai alai permitholder located within its market area is conducting live jai alai performances; any greyhound or jai alai permitholder may receive broadcasts of and accept wagers on any permitholder of the other class provided that a permitholder, other than the host track,~~





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~~of such other class is not operating a contemporaneous live performance within the market area.~~

~~(7) In any county of the state where there are only two permits, one for dogracing and one for jai alai, no intertrack wager may be taken during the period of time when a permitholder is not licensed to conduct live races or games without the written consent of the other permitholder that is conducting live races or games. However, if neither permitholder is conducting live races or games, either permitholder may accept intertrack wagers on horseraces or on the same class of races or games, or on both horseraces and the same class of races or games as is authorized by its permit.~~

~~(7)-(9)~~ In any two contiguous counties of the state in which there are located only four active permits, one for thoroughbred horse racing, two for greyhound racing ~~dogracing~~, and one for jai alai games, an ~~no~~ intertrack wager may not be accepted on the same class of live races or games of any permitholder without the written consent of such operating permitholders conducting the same class of live races or games if the guest track is within the market area of such operating permitholder.

(9) A greyhound racing permitholder that is eligible to receive broadcasts pursuant to subsection (2) and is operating pursuant to a current year operating license that specifies that no live performances will be conducted may accept wagers on live races conducted at out-of-state greyhound tracks only on the days when the permitholder receives all live races that any greyhound host track in this state makes available.

Section 25. Subsections (1), (4), and (5) of section 550.6308, Florida Statutes, are amended to read:



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550.6308 Limited intertrack wagering license.—In recognition of the economic importance of the thoroughbred breeding industry to this state, its positive impact on tourism, and of the importance of a permanent thoroughbred sales facility as a key focal point for the activities of the industry, a limited license to conduct intertrack wagering is established to ensure the continued viability and public interest in thoroughbred breeding in Florida.

(1) Upon application to the division on or before January 31 of each year, any person that is licensed to conduct public sales of thoroughbred horses pursuant to s. 535.01 and, that has conducted at least 8 ~~15~~ days of thoroughbred horse sales at a permanent sales facility in this state for at least 3 consecutive years, ~~and that has conducted at least 1 day of nonwagering thoroughbred racing in this state, with a purse structure of at least \$250,000 per year for 2 consecutive years~~ before such application, shall be issued a license, subject to the conditions set forth in this section, to conduct intertrack wagering at such a permanent sales facility ~~during the following periods:~~

~~(a) Up to 21 days in connection with thoroughbred sales;~~  
~~(b) Between November 1 and May 8;~~  
~~(c) Between May 9 and October 31 at such times and on such days as any thoroughbred, jai alai, or a greyhound permitholder in the same county is not conducting live performances; provided that any such permitholder may waive this requirement, in whole or in part, and allow the licensee under this section to conduct intertrack wagering during one or more of the permitholder's live performances; and~~



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~~(d) During the weekend of the Kentucky Derby, the Preakness, the Belmont, and a Breeders' Cup Meet that is conducted before November 1 and after May 8.~~

~~Only~~ No more than one such license may be issued, and no such license may be issued for a facility located within 50 miles of any for-profit thoroughbred permitholder's track.

~~(4) Intertrack wagering under this section may be conducted only on thoroughbred horse racing, except that intertrack wagering may be conducted on any class of pari-mutuel race or game conducted by any class of permitholders licensed under this chapter if all thoroughbred, jai alai, and greyhound permitholders in the same county as the licensee under this section give their consent.~~

~~(4)(5) The licensee shall be considered a guest track under this chapter. The licensee shall pay 2.5 percent of the total contributions to the daily pari-mutuel pool on wagers accepted at the licensee's facility on greyhound races or jai alai games to the thoroughbred permitholder that is conducting live races for purses to be paid during its current racing meet. If more than one thoroughbred permitholder is conducting live races on a day during which the licensee is conducting intertrack wagering on greyhound races or jai alai games, the licensee shall allocate these funds between the operating thoroughbred permitholders on a pro rata basis based on the total live handle at the operating permitholders' facilities.~~

Section 26. Section 551.101, Florida Statutes, is amended to read:

551.101 Slot machine gaming authorized.—A ~~Any~~ licensed



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504 ~~eligible pari-mutuel facility located in Miami-Dade County or~~  
505 ~~Broward County existing at the time of adoption of s. 23, Art. X~~  
506 ~~of the State Constitution that has conducted live racing or~~  
507 ~~games during calendar years 2002 and 2003~~ may possess slot  
508 machines and conduct slot machine gaming at the location where  
509 the pari-mutuel permitholder is authorized to conduct pari-  
510 mutuel wagering activities pursuant to such permitholder's valid  
511 pari-mutuel permit or as otherwise authorized by law ~~provided~~  
512 ~~that a majority of voters in a countywide referendum have~~  
513 ~~approved slot machines at such facility in the respective~~  
514 ~~county.~~ Notwithstanding any other ~~provision of~~ law, it is not a  
515 crime for a person to participate in slot machine gaming at a  
516 pari-mutuel facility licensed to possess slot machines and  
517 conduct slot machine gaming or to participate in slot machine  
518 gaming described in this chapter.

519 Section 27. Subsections (4), (10), and (11) of section  
520 551.102, Florida Statutes, are amended to read:

521 551.102 Definitions.—As used in this chapter, the term:  
522 (4) "Eligible facility" means a ~~any~~ licensed pari-mutuel  
523 facility located in Miami-Dade County or Broward County existing  
524 at the time of adoption of s. 23, Art. X of the State  
525 Constitution which ~~that has~~ conducted live racing or games  
526 during calendar years 2002 and 2003 and has been approved by a  
527 majority of voters in a countywide referendum to have slot  
528 machines at such facility in the respective county; ~~any licensed~~  
529 ~~pari-mutuel facility located within a county as defined in s.~~  
530 ~~125.011, provided such facility has conducted live racing for 2~~  
531 ~~consecutive calendar years immediately preceding its application~~  
532 ~~for a slot machine license, pays the required license fee, and~~



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~~meets the other requirements of this chapter,~~ or any licensed pari-mutuel facility in any ~~other~~ county in which a majority of voters have approved slot machines ~~at such facilities~~ in a countywide referendum, if such facility held pursuant to a ~~statutory or constitutional authorization after the effective date of this section in the respective county, provided such facility~~ has conducted a full schedule of live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required license ~~licensed~~ fee, and meets the other requirements of this chapter.

(10) "Slot machine license" means a license issued by the division authorizing a pari-mutuel permitholder to place and operate slot machines as provided in ~~by s. 23, Art. X of the State Constitution, the provisions of~~ this chapter, and by division rule ~~rules~~.

(11) "Slot machine licensee" means a pari-mutuel permitholder that ~~who~~ holds a license issued by the division pursuant to this chapter which ~~that~~ authorizes such person to possess a slot machine ~~within facilities specified in s. 23, Art. X of the State Constitution~~ and allows slot machine gaming.

Section 28. Subsections (1) and (2), paragraph (c) of subsection (4), and paragraphs (a) and (c) of subsection (10) of section 551.104, Florida Statutes, are amended to read:

551.104 License to conduct slot machine gaming.—

(1) Upon application, and ~~and~~ a finding by the division, after investigation, that the application is complete and that the applicant is qualified, and payment of the initial license fee, the division may issue a license to conduct slot machine gaming in the designated slot machine gaming area of the eligible



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facility. Once licensed, slot machine gaming may be conducted subject to ~~the requirements of~~ this chapter and rules adopted pursuant thereto. The division may not issue a slot machine license to any pari-mutuel permitholder that includes, or previously included within its ownership group, an ultimate equitable owner that was also an ultimate equitable owner of a pari-mutuel permitholder whose permit was voluntarily or involuntarily surrendered, suspended, or revoked by the division within 10 years before the date of permitholder's filing of an application for a slot machine license.

(2) An application may be approved by the division only after the voters of the county where the applicant's eligible facility is located have authorized by referendum slot machines within pari-mutuel facilities in that county ~~as specified in s. 23, Art. X of the State Constitution.~~

(4) As a condition of licensure and to maintain continued authority for the conduct of slot machine gaming, the slot machine licensee shall:

(c) 1. If conducting live racing or games, conduct no fewer than a full schedule of live racing or games as defined in s. 550.002(11). A permitholder's responsibility to conduct a full schedule such number of live races or games shall be reduced by the number of races or games that could not be conducted due to the direct result of fire, war, hurricane, or other disaster or event beyond the control of the permitholder. The races or games may be conducted at the facility of the slot machine licensee or at another pari-mutuel facility leased pursuant to s. 550.3345; or

2. If not licensed to conduct a full schedule of live



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591 racing or games, remit for the payment of purses on live races  
592 an amount equal to the lesser of \$2 million or 3 percent of its  
593 slot machine revenues from the previous state fiscal year to a  
594 slot machine licensee licensed to conduct not fewer than 160  
595 days of thoroughbred racing. If no slot machine licensee is  
596 licensed for at least 160 days of live thoroughbred racing, no  
597 payments for purses are required. A slot machine licensee that  
598 meets the requirements of subsection (10) shall receive a  
599 dollar-for-dollar credit to be applied toward the payments  
600 required under this subparagraph which are made pursuant to the  
601 binding agreement after the effective date of this act.

602       (10) (a) ~~1-~~ A ~~No~~ slot machine license or renewal thereof may  
603 not shall be issued to an applicant holding a permit under  
604 chapter 550 to conduct pari-mutuel wagering meets of  
605 thoroughbred racing unless the applicant has on file with the  
606 division a binding written agreement between the applicant and  
607 the Florida Horsemen's Benevolent and Protective Association,  
608 Inc., governing the payment of purses on live thoroughbred races  
609 conducted at the licensee's pari-mutuel facility. In addition, a  
610 ~~no~~ slot machine license or renewal thereof may not shall be  
611 issued to such an applicant unless the applicant has on file  
612 with the division a binding written agreement between the  
613 applicant and the Florida Thoroughbred Breeders' Association,  
614 Inc., governing the payment of breeders', stallion, and special  
615 racing awards on live thoroughbred races conducted at the  
616 licensee's pari-mutuel facility. The agreement governing purses  
617 and the agreement governing awards may direct the payment of  
618 such purses and awards from revenues generated by any wagering  
619 or gaming the applicant is authorized to conduct under Florida



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law. All purses and awards are ~~shall be~~ subject to the terms of chapter 550. All sums for breeders', stallion, and special racing awards shall be remitted monthly to the Florida Thoroughbred Breeders' Association, Inc., for the payment of awards subject to the administrative fee authorized in s. 550.2625(3). This paragraph does not apply to a summer thoroughbred racing permitholder.

~~2. No slot machine license or renewal thereof shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of quarter horse racing unless the applicant has on file with the division a binding written agreement between the applicant and the Florida Quarter Horse Racing Association or the association representing a majority of the horse owners and trainers at the applicant's eligible facility, governing the payment of purses on live quarter horse races conducted at the licensee's pari-mutuel facility. The agreement governing purses may direct the payment of such purses from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses shall be subject to the terms of chapter 550.~~

(c)1. If an agreement required under paragraph (a) cannot be reached prior to the initial issuance of the slot machine license, either party may request arbitration or, in the case of a renewal, if an agreement required under paragraph (a) is not in place 120 days prior to the scheduled expiration date of the slot machine license, the applicant shall immediately ask the American Arbitration Association to furnish a list of 11 arbitrators, each of whom shall have at least 5 years of commercial arbitration experience and no financial interest in





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or prior relationship with any of the parties or their affiliated or related entities or principals. Each required party to the agreement shall select a single arbitrator from the list provided by the American Arbitration Association within 10 days of receipt, and the individuals so selected shall choose one additional arbitrator from the list within the next 10 days.

2. If an agreement required under paragraph (a) is not in place 60 days after the request under subparagraph 1. in the case of an initial slot machine license or, in the case of a renewal, 60 days prior to the scheduled expiration date of the slot machine license, the matter shall be immediately submitted to mandatory binding arbitration to resolve the disagreement between the parties. The three arbitrators selected pursuant to subparagraph 1. shall constitute the panel that shall arbitrate the dispute between the parties pursuant to the American Arbitration Association Commercial Arbitration Rules and chapter 682.

3. At the conclusion of the proceedings, which shall be no later than 90 days after the request under subparagraph 1. in the case of an initial slot machine license or, in the case of a renewal, 30 days prior to the scheduled expiration date of the slot machine license, the arbitration panel shall present to the parties a proposed agreement that the majority of the panel believes equitably balances the rights, interests, obligations, and reasonable expectations of the parties. The parties shall immediately enter into such agreement, which shall satisfy the requirements of paragraph (a) and permit issuance of the pending annual slot machine license or renewal. The agreement produced by the arbitration panel under this subparagraph shall be



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effective until the last day of the license or renewal period or until the parties enter into a different agreement. Each party shall pay its respective costs of arbitration and shall pay one-half of the costs of the arbitration panel, unless the parties otherwise agree. If the agreement produced by the arbitration panel under this subparagraph remains in place 120 days prior to the scheduled issuance of the next annual license renewal, then the arbitration process established in this paragraph will begin again.

4. In the event that ~~neither of the agreements required under subparagraph (a)1. or the agreement required under subparagraph (a)2.~~ are in place by the deadlines established in this paragraph, arbitration regarding each agreement will proceed independently, with separate lists of arbitrators, arbitration panels, arbitration proceedings, and resulting agreements.

5. With respect to the agreements required under paragraph (a) governing the payment of purses, the arbitration and resulting agreement called for under this paragraph shall be limited to the payment of purses from slot machine revenues only.

Section 29. Effective July 1, 2036, paragraph (c) of subsection (4) of section 551.104, Florida Statutes, as amended by this act, is amended to read:

551.104 License to conduct slot machine gaming.—

(4) As a condition of licensure and to maintain continued authority for the conduct of slot machine gaming, the slot machine licensee shall:

(c)~~1.~~ If conducting live racing or games, conduct no fewer



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than a full schedule of live racing or games as defined in s. 550.002(11). A permitholder's responsibility to conduct a full schedule of live races or games shall be reduced by the number of races or games that could not be conducted due to the direct result of fire, war, hurricane, or other disaster or event beyond the control of the permitholder. The races or games may be conducted at the facility of the slot machine licensee or at another pari-mutuel facility leased pursuant to s. 550.3345.; ~~or~~

~~2. If not licensed to conduct a full schedule of live racing or games, remit for the payment of purses on live races an amount equal to the lesser of \$2 million or 3 percent of its slot machine revenues from the previous state fiscal year to a slot machine licensee licensed to conduct not fewer than 160 days of thoroughbred racing. If no slot machine licensee is licensed for at least 160 days of live thoroughbred racing, no payments for purses are required. A slot machine licensee that meets the requirements of subsection (10) shall receive a dollar-for-dollar credit to be applied toward the payments required under this subparagraph which are made pursuant to the binding agreement after the effective date of this act.~~

Section 30. Section 551.1042, Florida Statutes, is created to read:

551.1042 Transfer or relocation of slot machine license prohibited.—A slot machine license issued under this chapter may not be transferred or reissued when such reissuance is in the nature of a transfer so as to permit or authorize a licensee to change the location of a slot machine facility.

Section 31. Section 551.1043, Florida Statutes, is created to read:



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551.1043 Slot machine license to enhance live pari-mutuel activity.—In recognition of the important and long-standing economic contribution of the pari-mutuel industry to this state and the state's vested interest in the revenue generated therefrom and in the interest of promoting the continued viability of the important statewide agricultural activities that the industry supports, the Legislature finds that it is in the state's interest to provide a limited opportunity for the establishment of an additional slot machine license to be awarded and renewed annually to a pari-mutuel permitholder located within a county as defined in s. 125.011.

(1) (a) Within 120 days after the effective date of this act, any pari-mutuel permitholder that is located in a county as defined in s. 125.011 and that is not a slot machine licensee may apply to the division pursuant to s. 551.104 for the slot machine license created by this section.

(b) The application shall be accompanied by a license application fee of \$2 million, which is nonrefundable. The license application fee shall be deposited into the Pari-mutuel Wagering Trust Fund of the Department of Business and Professional Regulation to be used by the division and the Department of Law Enforcement for investigations, the regulation of slot machine gaming, and the enforcement of slot machine gaming under this chapter. In the event of a successful award, the application fee shall be credited toward the license fee required by s. 551.106.

(2) If there is more than one applicant for the new slot machine license, the division shall award the license to the applicant that receives the highest score based on the following



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criteria:

(a) The amount of slot machine revenues to be dedicated to the enhancement of pari-mutuel purses; breeder's, stallion, and special racing or player awards to be awarded to pari-mutuel activities conducted pursuant to chapter 550;

(b) The amount of slot machine revenues to be dedicated to the general promotion of the state's pari-mutuel industry;

(c) The amount of slot machine revenues to be dedicated to care provided in this state to injured or retired animals, jockeys, or jai alai players;

(d) The amount by which the proposed slot machine facility will increase tourism, generate jobs, provide revenue to the local economy, and provide revenue to the state. The applicant and its partners shall document their previous experience in constructing premier facilities with high-quality amenities which complement a local tourism industry;

(e) The financial history of the applicant and its partners in making capital investments in slot machine gaming and pari-mutuel facilities and its bona fide plan for future community involvement and financial investment;

(f) The history of investment by the applicant and its partners in the communities in which its previous developments have been located;

(g) The ability to purchase and maintain a surety bond in an amount established by the division to represent the projected annual revenues generated by the proposed slot machine facility;

(h) The ability to demonstrate the financial wherewithal to adequately capitalize, develop, construct, maintain, and operate a proposed slot machine facility. The applicant must demonstrate



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the ability to commit not less than \$100 million for hard costs related to construction and development of the facility, exclusive of the purchase price and costs associated with the acquisition of real property and any impact fees. The applicant must also demonstrate the ability to meet any projected secured and unsecured debt obligations and to complete construction within 2 years after receiving the award of the slot machine license;

(i) The ability to implement a program to train and employ residents of South Florida to work at the facility and contract with local business owners for goods and services; and

(j) The ability to generate, with its partners, substantial gross gaming revenue following the award of gaming licenses through a competitive bidding process.

The division shall award additional points in the evaluation of the applications for proposed projects located within 0.5 miles of two forms of public transportation and located in a designated community redevelopment area or district.

(3) (a) Notwithstanding the timeframes established in s. 120.60, the division shall complete its evaluations at least 120 days after the submission of applications and shall notice its intent to award the license within that timeframe. Within 30 days after the submission of an application, the division shall issue, if necessary, requests for additional information or any notices of deficiency to the applicant, who must respond within 15 days. Failure to timely and sufficiently respond to such requests or to correct identified deficiencies is grounds for denial of the application.



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(b) Any protest of the intent to award the license shall be forwarded to the Division of Administrative Hearings, which shall conduct an administrative hearing on the matter before an administrative law judge at least 30 days after the notice of intent to award. The administrative law judge shall issue a proposed recommended order at least 30 days after the completion of the final hearing. The division shall issue a final order at least 15 days after receipt of the proposed recommended order.

(c) Any appeal of a license denial shall be made to the First District Court of Appeal and must be accompanied by the posting of a supersedeas bond in an amount determined by the division to be equal to the amount of projected annual slot machine revenue to be generated by the successful licensee.

(4) The division is authorized to adopt emergency rules pursuant to s. 120.54 to implement this section. The Legislature finds that such emergency rulemaking power is necessary for the preservation of the rights and welfare of the people in order to provide additional funds to benefit the public. The Legislature further finds that the unique nature of the competitive award of the slot machine license under this section requires that the department respond as quickly as is practicable to implement this section. Therefore, in adopting such emergency rules, the division is exempt from s. 120.54(4)(a). Emergency rules adopted under this section are exempt from s. 120.54(4)(c) and shall remain in effect until replaced by other emergency rules or by rules adopted pursuant to chapter 120.

Section 32. Section 551.1044, Florida Statutes, is created to read:

551.1044 House banked blackjack table games authorized.—



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(1) The pari-mutuel permitholder of each of the following pari-mutuel wagering facilities may operate up to 25 house banked blackjack table games at the permitholder's facility:

(a) A licensed pari-mutuel facility where live racing or games were conducted during calendar years 2002 and 2003, located in Miami-Dade County or Broward County, and authorized for slot machine licensure pursuant to s. 23, Art. X of the State Constitution; and

(b) A licensed pari-mutuel facility where a full schedule of live horseracing has been conducted for 2 consecutive calendar years immediately preceding its application for a slot machine license and located within a county as defined in s. 125.011.

(2) Wagers on authorized house banked blackjack table games may not exceed \$100 for each initial two card wager. Subsequent wagers on splits or double downs are allowed but may not exceed the initial two card wager. Single side bets of not more than \$5 are also allowed.

Section 33. Subsection (1) and paragraph (a) of subsection (2) of section 551.106, Florida Statutes, are amended to read:

551.106 License fee; tax rate; penalties.—

(1) LICENSE FEE.—

~~(a) Upon submission of the initial application for a slot machine license and annually thereafter, on the anniversary date of the issuance of the initial license, the licensee must pay to the division a nonrefundable license fee of \$3 million for the succeeding 12 months of licensure. In the 2010-2011 fiscal year, the licensee must pay the division a nonrefundable license fee of \$2.5 million for the succeeding 12 months of licensure. In~~





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~~the 2011-2012 fiscal year and for every fiscal year thereafter,~~  
~~the licensee must pay the division a nonrefundable license fee~~  
~~of \$2 million for the succeeding 12 months of licensure. The~~  
license fee shall be deposited into the Pari-mutuel Wagering  
Trust Fund of the Department of Business and Professional  
Regulation to be used by the division and the Department of Law  
Enforcement for investigations, regulation of slot machine  
gaming, and enforcement of slot machine gaming provisions under  
this chapter. These payments shall be accounted for separately  
from taxes or fees paid pursuant to the provisions of chapter  
550.

~~(b) Prior to January 1, 2007, the division shall evaluate~~  
~~the license fee and shall make recommendations to the President~~  
~~of the Senate and the Speaker of the House of Representatives~~  
~~regarding the optimum level of slot machine license fees in~~  
~~order to adequately support the slot machine regulatory program.~~

(2) TAX ON SLOT MACHINE REVENUES.—

(a) The tax rate on slot machine revenues at each facility  
shall be 25 ~~35~~ percent. If, during any state fiscal year, the  
aggregate amount of tax paid to the state by all slot machine  
licensees in Broward and Miami-Dade Counties is less than the  
aggregate amount of tax paid to the state by all slot machine  
licensees in the 2008-2009 fiscal year, each slot machine  
licensee shall pay to the state within 45 days after the end of  
the state fiscal year a surcharge equal to its pro rata share of  
an amount equal to the difference between the aggregate amount  
of tax paid to the state by all slot machine licensees in the  
2008-2009 fiscal year and the amount of tax paid during the  
fiscal year. Each licensee's pro rata share shall be an amount



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determined by dividing the number 1 by the number of facilities licensed to operate slot machines during the applicable fiscal year, regardless of whether the facility is operating such machines.

Section 34. Subsection (2) of section 551.108, Florida Statutes, is amended to read:

551.108 Prohibited relationships.—

(2) A manufacturer or distributor of slot machines may not enter into any contract with a slot machine licensee that provides for any revenue sharing of any kind or nature that is directly or indirectly calculated on the basis of a percentage of slot machine revenues. Any maneuver, shift, or device whereby this subsection is violated is a violation of this chapter and renders any such agreement void. This subsection does not apply to contracts related to a progressive system used in conjunction with slot machines.

Section 35. Subsections (2) and (4) of section 551.114, Florida Statutes, are amended to read:

551.114 Slot machine gaming areas.—

(2) If such races or games are available to the slot machine licensee, the slot machine licensee shall display pari-mutuel races or games within the designated slot machine gaming areas and offer patrons within the designated slot machine gaming areas the ability to engage in pari-mutuel wagering on any live, intertrack, and simulcast races conducted or offered to patrons of the licensed facility.

(4) Designated slot machine gaming areas shall ~~may~~ be located anywhere within the property described in a slot machine licensee's pari-mutuel permit ~~within the current live gaming~~



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~~facility or in an existing building that must be contiguous and connected to the live gaming facility. If a designated slot machine gaming area is to be located in a building that is to be constructed, that new building must be contiguous and connected to the live gaming facility.~~

Section 36. Section 551.116, Florida Statutes, is amended to read:

551.116 Days and hours of operation.—Slot machine gaming areas may be open 24 hours per day, 7 days a week daily throughout the year. ~~The slot machine gaming areas may be open a cumulative amount of 18 hours per day on Monday through Friday and 24 hours per day on Saturday and Sunday and on those holidays specified in s. 110.117(1).~~

Section 37. Subsections (1) and (3) of section 551.121, Florida Statutes, are amended to read:

551.121 Prohibited activities and devices; exceptions.—

(1) Complimentary or reduced-cost alcoholic beverages may ~~not~~ be served to a person ~~persons~~ playing a slot machine. ~~Alcoholic beverages served to persons playing a slot machine shall cost at least the same amount as alcoholic beverages served to the general public at a bar within the facility.~~

(3) A slot machine licensee may ~~not~~ allow any automated teller machine or similar device designed to provide credit or dispense cash to be located within the designated slot machine gaming areas of a facility of a slot machine licensee.

Section 38. Present subsections (9) through (17) of section 849.086, Florida Statutes, are redesignated as subsections (10) through (18), respectively, a new subsection (9) is added to that section, and subsections (1) and (2), paragraph (b) of



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subsection (5), paragraphs (a), (b), and (c) of subsection (7), paragraphs (a) and (b) of subsection (8), present subsection (12), paragraphs (d) and (h) of present subsection (13), and present subsection (17) of section 849.086, Florida Statutes, are amended, to read:

849.086 Cardrooms authorized.—

(1) LEGISLATIVE INTENT.—It is the intent of the Legislature to provide additional entertainment choices for the residents of and visitors to the state, promote tourism in the state, provide revenues to support the continuation of live pari-mutuel activity, and provide additional state revenues through the authorization of the playing of certain games in the state at facilities known as cardrooms which are to be located at licensed pari-mutuel facilities. To ensure the public confidence in the integrity of authorized cardroom operations, this act is designed to strictly regulate the facilities, persons, and procedures related to cardroom operations. Furthermore, the Legislature finds that authorized games of cards and dominoes ~~as herein defined~~ are considered to be pari-mutuel style games and not casino gaming because the participants play against each other instead of against the house.

(2) DEFINITIONS.—As used in this section:

(a) "Authorized game" means a game or series of card and domino games that ~~of poker or dominoes which~~ are played in conformance with this section ~~a nonbanking manner~~.

(b) "Banking game" means a game in which the house is a participant in the game, taking on players, paying winners, and collecting from losers ~~or in which the cardroom establishes a bank against which participants play~~. A designated player game



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is not a banking game.

(c) "Cardroom" means a facility where authorized games are played for money or anything of value and to which the public is invited to participate in such games and charged a fee for participation by the operator of such facility. Authorized games and cardrooms do not constitute casino gaming operations if conducted at an eligible facility.

(d) "Cardroom management company" means any individual not an employee of the cardroom operator, any proprietorship, partnership, corporation, or other entity that enters into an agreement with a cardroom operator to manage, operate, or otherwise control the daily operation of a cardroom.

(e) "Cardroom distributor" means any business that distributes cardroom paraphernalia such as card tables, betting chips, chip holders, dominoes, dominoes tables, drop boxes, banking supplies, playing cards, card shufflers, and other associated equipment to authorized cardrooms.

(f) "Cardroom operator" means a licensed pari-mutuel permitholder that ~~which~~ holds a valid permit and license issued by the division pursuant to chapter 550 and which also holds a valid cardroom license issued by the division pursuant to this section which authorizes such person to operate a cardroom and to conduct authorized games in such cardroom.

(g) "Designated player" means the player identified as the player in the dealer position and seated at a traditional player position in a designated player game and who pays winning players and collects from losing players.

(h) "Designated player game" means a game in which the players compare their cards only to the cards of the designated



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player or to a combination of cards held by the designated  
player and cards common and available for play by all players.

(i)~~(g)~~ "Division" means the Division of Pari-mutuel  
Wagering of the Department of Business and Professional  
Regulation.

(j)~~(h)~~ "Dominoes" means a game of dominoes typically played  
with a set of 28 flat rectangular blocks, called "bones," which  
are marked on one side and divided into two equal parts, with  
zero to six dots, called "pips," in each part. The term also  
includes larger sets of blocks that contain a correspondingly  
higher number of pips. The term also means the set of blocks  
used to play the game.

(k)~~(i)~~ "Gross receipts" means the total amount of money  
received by a cardroom from any person for participation in  
authorized games.

(l)~~(j)~~ "House" means the cardroom operator and all  
employees of the cardroom operator.

(m)~~(k)~~ "Net proceeds" means the total amount of gross  
receipts received by a cardroom operator from cardroom  
operations less direct operating expenses related to cardroom  
operations, including labor costs, admission taxes only if a  
separate admission fee is charged for entry to the cardroom  
facility, gross receipts taxes imposed on cardroom operators by  
this section, the annual cardroom license fees imposed by this  
section on each table operated at a cardroom, and reasonable  
promotional costs excluding officer and director compensation,  
interest on capital debt, legal fees, real estate taxes, bad  
debts, contributions or donations, or overhead and depreciation  
expenses not directly related to the operation of the cardrooms.



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(n)~~(l)~~ "Rake" means a set fee or percentage of the pot assessed by a cardroom operator for providing the services of a dealer, table, or location for playing the authorized game.

(o)~~(m)~~ "Tournament" means a series of games that have more than one betting round involving one or more tables and where the winners or others receive a prize or cash award.

(5) LICENSE REQUIRED; APPLICATION; FEES.—No person may operate a cardroom in this state unless such person holds a valid cardroom license issued pursuant to this section.

(b) After the initial cardroom license is granted, the application for the annual license renewal shall be made in conjunction with the applicant's annual application for its pari-mutuel license. ~~If a permitholder has operated a cardroom during any of the 3 previous fiscal years and fails to include a renewal request for the operation of the cardroom in its annual application for license renewal, the permitholder may amend its annual application to include operation of the cardroom. In order for a cardroom license to be renewed the applicant must have requested, as part of its pari-mutuel annual license application, to conduct at least 90 percent of the total number of live performances conducted by such permitholder during either the state fiscal year in which its initial cardroom license was issued or the state fiscal year immediately prior thereto if the permitholder ran at least a full schedule of live racing or games in the prior year. If the application is for a harness permitholder cardroom, the applicant must have requested authorization to conduct a minimum of 140 live performances during the state fiscal year immediately prior thereto. If more than one permitholder is operating at a facility, each~~



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~~permitholder must have applied for a license to conduct a full  
schedule of live racing.~~

(7) CONDITIONS FOR OPERATING A CARDROOM.—

(a) A cardroom may be operated only at the location specified on the cardroom license issued by the division, and such location may only be the location at which the pari-mutuel permitholder is authorized to conduct pari-mutuel wagering activities pursuant to such permitholder's valid pari-mutuel permit or as otherwise authorized by law. ~~Cardroom operations may not be allowed beyond the hours provided in paragraph (b) regardless of the number of cardroom licenses issued for permitholders operating at the pari-mutuel facility.~~

(b) Any cardroom operator may operate a cardroom at the pari-mutuel facility daily throughout the year, if the permitholder meets the requirements under paragraph (5) (b). The cardroom may be open ~~a cumulative amount of 18 hours per day on Monday through Friday and 24 hours per day on Saturday and Sunday and on the holidays specified in s. 110.117(1).~~

(c) For authorized games of poker or dominoes at a cardroom, a cardroom operator must at all times employ and provide a nonplaying live dealer at ~~for~~ each table on which the authorized card games ~~which traditionally use a dealer~~ are conducted ~~at the cardroom~~. Such dealers may not have a participatory interest in any game other than the dealing of cards and may not have an interest in the outcome of the game. The providing of such dealers by a licensee does not constitute the conducting of a banking game by the cardroom operator.

(8) METHOD OF WAGERS; LIMITATION.—

(a) ~~No~~ Wagering may not be conducted using money or other





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negotiable currency. Games may only be played utilizing a wagering system whereby all players' money is first converted by the house to tokens or chips that may ~~which shall~~ be used for wagering only at that specific cardroom.

(b) For authorized games of poker or dominoes, the cardroom operator may limit the amount wagered in any game or series of games.

(9) DESIGNATED PLAYER GAMES AUTHORIZED.—

(a) A cardroom operator may offer designated player games consisting of players making wagers against the designated player. The designated player must be licensed pursuant to paragraph (6) (b) .

(b) A cardroom operator may not serve as a designated player in any game. The cardroom operator may not have a financial interest in a designated player in any game. A cardroom operator may collect a rake in accordance with the rake structure posted at the table.

(c) If there are multiple designated players at a table, the dealer button shall be rotated in a clockwise rotation after each hand.

(d) A cardroom operator may not allow a designated player to pay an opposing player who holds a lower ranked hand.

(13) ~~(12)~~ PROHIBITED ACTIVITIES.—

(a) A ~~No~~ person licensed to operate a cardroom may not conduct any banking game or any game not specifically authorized by this section. For purposes of this section, a designated player game shall be deemed a banking game if any of the following elements apply:

1. Any designated player is required by the rules of a game



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or by the rules of a cardroom to cover all wagers posted by  
opposing players;

2. The dealer button remains in a fixed position without  
being offered for rotation;

3. The cardroom, or any cardroom licensee, contracts with  
or receives compensation other than a posted table rake from any  
player to participate in any game to serve as a designated  
player; or

4. In any designated player game in which the designated  
player possesses a higher ranked hand, the designated player is  
required to pay on an opposing player's wager who holds a lower  
ranked hand.

(b) A ~~No~~ person who is younger than ~~under~~ 18 years of age  
may not be permitted to hold a cardroom or employee license, or  
to engage in any game conducted therein.

(c) With the exception of mechanical card shufflers, ~~No~~  
electronic or mechanical devices, ~~except mechanical card~~  
~~shufflers,~~ may not be used to conduct any authorized game in a  
cardroom.

(d) ~~No~~ Cards, game components, or game implements may not  
be used in playing an authorized game unless they have ~~such has~~  
been furnished or provided to the players by the cardroom  
operator.

(14) (13) TAXES AND OTHER PAYMENTS.—

(d) 1. Each ~~greyhound and jai alai~~ permitholder that  
operates a cardroom facility shall use at least 4 percent of  
such permitholder's cardroom monthly gross receipts to  
supplement ~~greyhound~~ purses or jai alai prize money,  
respectively, during the permitholder's next ensuing pari-mutuel



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meet.

2. A cardroom license or renewal thereof may not be issued to a permitholder conducting less than a full schedule of live racing or games unless the applicant has on file with the division a binding written contract with a thoroughbred permitholder that is licensed to conduct live racing and that does not possess a slot machine license. This contract must provide that the permitholder will pay an amount equal to 4 percent of its monthly cardroom gross receipts to the thoroughbred permitholder conducting the live racing for use as purses during the current or ensuing live racing meet of the thoroughbred permitholder. If there is not a thoroughbred permitholder that does not possess a slot machine license, no payments for purses are required, and the cardroom licensee shall retain such funds for its use. ~~Each thoroughbred and harness horse racing permitholder that operates a cardroom facility shall use at least 50 percent of such permitholder's cardroom monthly net proceeds as follows: 47 percent to supplement purses and 3 percent to supplement breeders' awards during the permitholder's next ensuing racing meet.~~

~~3. No cardroom license or renewal thereof shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of quarter horse racing unless the applicant has on file with the division a binding written agreement between the applicant and the Florida Quarter Horse Racing Association or the association representing a majority of the horse owners and trainers at the applicant's eligible facility, governing the payment of purses on live quarter horse races conducted at the licensee's pari-mutuel facility. The~~



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~~agreement governing purses may direct the payment of such purses from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses shall be subject to the terms of chapter 550.~~

(h) One-quarter of the moneys deposited into the Pari-mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by October 1 of each year, be distributed to the local government that approved the cardroom under subsection (17) ~~subsection (16)~~; however, if two or more pari-mutuel racetracks are located within the same incorporated municipality, the cardroom funds shall be distributed to the municipality. If a pari-mutuel facility is situated in such a manner that it is located in more than one county, the site of the cardroom facility shall determine the location for purposes of disbursement of tax revenues under this paragraph. The division shall, by September 1 of each year, determine: the amount of taxes deposited into the Pari-mutuel Wagering Trust Fund pursuant to this section from each cardroom licensee; the location by county of each cardroom; whether the cardroom is located in the unincorporated area of the county or within an incorporated municipality; and, the total amount to be distributed to each eligible county and municipality.

(18) ~~(17)~~ CHANGE OF LOCATION; REFERENDUM.—

~~(a)~~ Notwithstanding ~~any provisions of~~ this section, a ~~no~~ cardroom gaming license issued under this section may not ~~shall~~ be transferred, or reissued when such reissuance is in the nature of a transfer, so as to permit or authorize a licensee to change the location of the cardroom ~~except upon proof in such form as the division may prescribe that a referendum election~~



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~~has been held:~~

~~1. If the proposed new location is within the same county as the already licensed location, in the county where the licensee desires to conduct cardroom gaming and that a majority of the electors voting on the question in such election voted in favor of the transfer of such license. However, the division shall transfer, without requirement of a referendum election, the cardroom license of any permitholder that relocated its permit pursuant to s. 550.0555.~~

~~2. If the proposed new location is not within the same county as the already licensed location, in the county where the licensee desires to conduct cardroom gaming and that a majority of the electors voting on that question in each such election voted in favor of the transfer of such license.~~

~~(b) The expense of each referendum held under the provisions of this subsection shall be borne by the licensee requesting the transfer.~~

===== T I T L E   A M E N D M E N T =====

And the title is amended as follows:

Delete lines 72 - 200

and insert:

the adoption of greyhounds"; creating s. 550.1752, F.S.; creating the permit reduction program within the division; providing a purpose for the program; providing for funding for the program up to a specified maximum amount; requiring the division to purchase pari-mutuel permits from permitholders under certain circumstances; requiring that permitholders



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1258 who wish to make an offer to sell meet certain  
1259 requirements; requiring the division to adopt a  
1260 certain form by rule; requiring that the division  
1261 establish the value of a pari-mutuel permit based on  
1262 the valuation of one or more independent appraisers;  
1263 authorizing the division to establish a value that is  
1264 lower than the valuation of the independent appraiser;  
1265 requiring the division to accept the offers that best  
1266 utilize available funding; requiring the division to  
1267 cancel permits that it purchases through the program;  
1268 providing for expiration of the program; renaming the  
1269 permit reduction program as the thoroughbred purse  
1270 supplement program; revising the purpose of the  
1271 program; deleting provisions requiring the division to  
1272 purchase pari-mutuel permits; revising the form the  
1273 division shall adopt by rule; requiring the division  
1274 to apportion purse supplement funds in a certain  
1275 manner; requiring a thoroughbred permitholder to  
1276 return any unused portion of a purse supplement fund  
1277 under certain circumstances; and authorizing  
1278 rulemaking, as of a specified date; creating s.  
1279 550.2416, F.S.; requiring injuries to racing  
1280 greyhounds to be reported within a certain timeframe  
1281 on a form adopted by the division; requiring such form  
1282 to be completed and signed under oath or affirmation  
1283 by certain individuals; providing penalties;  
1284 specifying information that must be included on the  
1285 form; requiring the division to maintain the forms as  
1286 public records for a specified time; specifying



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1287 disciplinary action that may be taken against a  
1288 licensee of the Department of Business and  
1289 Professional Regulation who makes false statements on  
1290 an injury form or who fails to report an injury;  
1291 exempting injuries to certain animals from reporting  
1292 requirements; requiring the division to adopt rules;  
1293 amending s. 550.26165, F.S.; conforming a cross-  
1294 reference; amending s. 550.3345, F.S.; deleting  
1295 obsolete provisions; revising requirements for a  
1296 permit previously converted from a quarter horse  
1297 racing permit to a limited thoroughbred racing permit;  
1298 amending s. 550.3551, F.S.; deleting a provision that  
1299 limits the number of out-of-state races on which  
1300 wagers are accepted by a greyhound racing  
1301 permitholder; deleting a provision prohibiting a  
1302 permitholder from conducting fewer than eight live  
1303 races or games under certain circumstances; deleting a  
1304 provision requiring certain permitholders to conduct a  
1305 full schedule of live racing to receive certain full-  
1306 card broadcasts and accept certain wagers; amending s.  
1307 550.375, F.S.; conforming a cross-reference; amending  
1308 s. 550.475, F.S.; prohibiting a permitholder from  
1309 leasing from certain pari-mutuel permitholders;  
1310 amending s. 550.5251, F.S., deleting a provision  
1311 relating to requirements for thoroughbred  
1312 permitholders; amending s. 550.615, F.S.; revising  
1313 eligibility requirements for certain pari-mutuel  
1314 facilities to qualify to receive certain broadcasts;  
1315 providing that certain greyhound racing permitholders



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1316 are not required to obtain certain written consent;  
1317 deleting requirements to conduct intertrack wagering  
1318 between certain permitholders; deleting a provision  
1319 prohibiting certain intertrack wagering in certain  
1320 counties; specifying conditions under which greyhound  
1321 racing permitholders may accept wagers; amending s.  
1322 550.6308, F.S.; revising the number of days of  
1323 thoroughbred horse sales required for an applicant to  
1324 obtain a limited intertrack wagering license; revising  
1325 eligibility requirements for such licenses; revising  
1326 requirements for such wagering; deleting provisions  
1327 requiring a licensee to make certain payments to the  
1328 daily pari-mutuel pool; amending s. 551.101, F.S.;  
1329 revising the facilities that may possess slot machines  
1330 and conduct slot machine gaming; deleting certain  
1331 provisions requiring a countywide referendum to  
1332 approve slot machines at certain facilities; amending  
1333 s. 551.102, F.S.; revising definitions; amending s.  
1334 551.104, F.S.; prohibiting the division from issuing a  
1335 slot machine license to certain pari-mutuel  
1336 permitholders; revising conditions of licensure and to  
1337 maintain authority to conduct slot machine gaming;  
1338 exempting a summer thoroughbred racing permitholder  
1339 from certain purse requirements; providing  
1340 applicability; deleting a provision prohibiting the  
1341 division from issuing or renewing a license for an  
1342 applicant holding a permit under ch. 550, F.S., under  
1343 certain circumstances; deleting a provision requiring  
1344 certain slot machine licensees to remit a certain





897172

1345 amount for the payment of purses on live races, as of  
1346 a certain date; conforming provisions to changes made  
1347 by the act; creating s. 551.1042, F.S.; prohibiting  
1348 the transfer of a slot machine license or relocation  
1349 of a slot machine facility; creating s. 551.1043,  
1350 F.S.; providing legislative findings; authorizing an  
1351 additional slot machine license to be awarded and  
1352 renewed annually to a pari-mutuel permitholder located  
1353 in a certain county; authorizing certain pari-mutuel  
1354 permitholders to apply for such a license; providing  
1355 an application fee; requiring the deposit of the fee  
1356 in the Pari-mutuel Wagering Trust Fund; requiring the  
1357 division to award the license to the applicant that  
1358 bests meets the selection criteria; providing  
1359 selection criteria; requiring the division to complete  
1360 a certain evaluation by a specified date; specifying  
1361 grounds for denial of an application; providing that  
1362 certain protests be forwarded to the Division of  
1363 Administrative Hearings; providing requirements for  
1364 appeals; authorizing the division to adopt certain  
1365 emergency rules; creating s. 551.1044, F.S.;  
1366 authorizing blackjack table games at certain pari-  
1367 mutuel facilities; specifying limits on wagers;  
1368 amending s. 551.106, F.S.; deleting obsolete  
1369 provisions; revising the tax rate on slot machine  
1370 revenues under certain conditions; amending s.  
1371 551.108, F.S.; providing applicability; amending s.  
1372 551.114, F.S.; revising the areas where a designated  
1373 slot machine gaming area may be located; amending s.



897172

1374 551.116, F.S.; deleting a restriction on the number of  
1375 hours per day that slot machine gaming areas may be  
1376 open; amending s. 551.121, F.S.; authorizing the  
1377 serving of complimentary or reduced-cost alcoholic  
1378 beverages to a person playing a slot machine;  
1379 authorizing the location of an automated teller  
1380 machine or similar device within designated slot  
1381 machine gaming areas; amending s. 849.086, F.S.;  
1382 amending legislative intent; revising definitions;  
1383 deleting certain license renewal requirements;  
1384 deleting provisions relating to restrictions of hours  
1385 of operation; authorizing certain cardroom operators  
1386 to offer certain designated player games; requiring  
1387 the designated player to be licensed; prohibiting  
1388 cardroom operators from serving as the designated  
1389 player in a game and from having a financial interest  
1390 in a designated player; authorizing a cardroom  
1391 operator to collect a rake, subject to certain  
1392 requirements; requiring the dealer button to be  
1393 rotated under certain circumstances; prohibiting a  
1394 cardroom operator from allowing a designated player to  
1395 pay an opposing player under certain circumstances;  
1396 providing elements of a designated player game;  
1397 revising requirements for a cardroom license to be  
1398 issued or renewed; requiring a certain written  
1399 agreement with a thoroughbred permitholder; providing  
1400 contract requirements for the agreement; conforming  
1401 provisions to changes made



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LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Stargel) recommended the following:

**Senate Amendment to Amendment (897172) (with title amendment)**

Delete lines 501 - 726  
and insert:

Section 26. Section 551.101, Florida Statutes, is amended to read:

551.101 Slot machine gaming authorized.—Possession of slot machines and conduct of slot machine gaming are authorized only at licensed facilities eligible under this chapter. Any licensed



888770

11 pari-mutuel facility located in Miami-Dade County or Broward  
12 County existing at the time of adoption of s. 23, Art. X of the  
13 State Constitution which ~~that~~ has conducted live racing or games  
14 during calendar years 2002 and 2003 may possess slot machines  
15 and conduct slot machine gaming at the location where the pari-  
16 mutuel permitholder is authorized to conduct pari-mutuel  
17 wagering activities pursuant to such permitholder's valid pari-  
18 mutuel permit provided that a majority of voters in a countywide  
19 referendum have approved slot machines at such facility in the  
20 respective county. Notwithstanding any other ~~provision of law~~,  
21 it is not a crime for a person to participate in slot machine  
22 gaming at a pari-mutuel facility licensed to possess slot  
23 machines and conduct slot machine gaming or to participate in  
24 slot machine gaming described in this chapter.

25 Section 27. Subsections (4) and (11) of section 551.102,  
26 Florida Statutes, are amended to read:

27 551.102 Definitions.—As used in this chapter, the term:

28 (4) "Eligible facility" means a ~~any~~ licensed pari-mutuel  
29 facility that meets the requirements of s. 551.104 ~~located in~~  
30 ~~Miami-Dade County or Broward County existing at the time of~~  
31 ~~adoption of s. 23, Art. X of the State Constitution that has~~  
32 ~~conducted live racing or games during calendar years 2002 and~~  
33 ~~2003 and has been approved by a majority of voters in a~~  
34 ~~countywide referendum to have slot machines at such facility in~~  
35 ~~the respective county; any licensed pari-mutuel facility located~~  
36 ~~within a county as defined in s. 125.011, provided such facility~~  
37 ~~has conducted live racing for 2 consecutive calendar years~~  
38 ~~immediately preceding its application for a slot machine~~  
39 ~~license, pays the required license fee, and meets the other~~



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~~requirements of this chapter; or any licensed pari-mutuel facility in any other county in which a majority of voters have approved slot machines at such facilities in a countywide referendum held pursuant to a statutory or constitutional authorization after the effective date of this section in the respective county, provided such facility has conducted a full schedule of live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license,~~ pays the required license ~~licensed~~ fee, and meets the other requirements of this chapter and chapters 550 and 849.

(11) "Slot machine licensee" means a pari-mutuel permitholder that ~~who~~ holds a license issued by the division pursuant to this chapter which ~~that~~ authorizes such person to possess a slot machine within facilities as provided in this chapter specified in s. 23, Art. X of the State Constitution and allows slot machine gaming.

Section 28. Subsection (2) and paragraph (c) of subsection (4) of section 551.104, Florida Statutes, are amended, paragraph (e) is added to subsection (10) of that section, and subsection (3) of that section is republished, to read:

551.104 License to conduct slot machine gaming.—

(2) If it is determined that the application would not trigger a reduction in revenue-sharing payments under the Gaming Compact between the Seminole Tribe of Florida and the State of Florida, an application may be approved by the division, but only for:

(a) A licensed pari-mutuel facility where live racing or games were conducted during calendar years 2002 and 2003 which is located in Miami-Dade County or Broward County and is



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authorized for slot machine licensure pursuant to s. 23, Art. X  
of the State Constitution; or

(b) A licensed pari-mutuel facility where a full schedule  
of live horseracing has been conducted for 2 consecutive  
calendar years immediately preceding its application for a slot  
machine license and which is located within a county as defined  
in s. 125.011 ~~after the voters of the county where the  
applicant's facility is located have authorized by referendum  
slot machines within pari-mutuel facilities in that county as  
specified in s. 23, Art. X of the State Constitution.~~

(3) A slot machine license may be issued only to a licensed  
pari-mutuel permitholder, and slot machine gaming may be  
conducted only at the eligible facility at which the  
permitholder is authorized under its valid pari-mutuel wagering  
permit to conduct pari-mutuel wagering activities.

(4) As a condition of licensure and to maintain continued  
authority for the conduct of slot machine gaming, the slot  
machine licensee shall:

(c) Conduct ~~no fewer than~~ a full schedule of live racing or  
games as defined in s. 550.002(11), excluding any. ~~A  
permitholder's responsibility to conduct such number of live  
races or games shall be reduced by the number of races or games  
that could not be conducted as a due to the direct result of  
fire, war, hurricane, or other disaster or event beyond the  
control of the permitholder. This paragraph does not apply to a  
harness racing permitholder, jai alai permitholder, quarter  
horse racing permitholder, greyhound racing permitholder that  
conducted a full schedule of live racing for a period of at  
least 10 consecutive state fiscal years after the 2002-2003~~



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state fiscal year, or thoroughbred racing permitholder that  
holds a slot machine license if it has entered into an agreement  
with another thoroughbred racing permitholder to conduct its  
race meet at the other thoroughbred racing permitholder's  
facility.

(10)

(e) Each slot machine licensee that does not offer live  
racing shall withhold 2 percent of the licensee's net revenue  
after taxes from slot machines to be deposited into a purse pool  
to be paid as purses to licensed pari-mutuel facilities offering  
live racing or games.

===== T I T L E   A M E N D M E N T =====

And the title is amended as follows:

Delete lines 1329 - 1347

and insert:

revising provisions that authorize slot machine gaming  
at certain facilities; amending s. 551.102, F.S.;  
revising definitions of the terms "eligible facility"  
and "slot machine licensee" for purposes of provisions  
relating to slot machines; amending s. 551.104, F.S.;  
providing that an application to conduct slot machine  
gaming may be approved only if the application would  
not trigger a reduction in revenue-sharing payments  
under the Gaming Compact between the Seminole Tribe of  
Florida and the State of Florida; specifying the  
facilities that may be authorized by the division to  
conduct slot machine gaming; exempting certain  
permitholders from a requirement that they conduct a



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127 full schedule of live racing as a condition of  
128 maintaining authority to conduct slot machine gaming;  
129 requiring licensees to withhold a specified percentage  
130 of net revenue after taxes from specified sources  
131 under certain circumstances; creating s. 551.1042,  
132 F.S.; prohibiting





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LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Abruzzo) recommended the following:

**Senate Amendment to Amendment (897172)**

Delete line 568  
and insert:  
pari-mutuel permitholder whose permit was



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LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Stargel) recommended the following:

**Senate Amendment to Amendment (897172)**

Delete line 899  
and insert:  
shall be 30 ~~35~~ percent. If, during any state fiscal year, the



667902

LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Margolis) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 1934 - 1935

and insert:

(1) ~~Complimentary or reduced-cost~~ Alcoholic beverages may not be served to a person ~~persons~~ playing a slot machine or card games.

===== T I T L E   A M E N D M E N T =====

And the title is amended as follows:



667902

11       Delete lines 179 - 181  
12 and insert:  
13       revising the provisions prohibiting certain alcoholic  
14       beverages from being served to a person playing a slot  
15       machine; prohibiting the serving of alcoholic  
16       beverages to a person playing card games; authorizing  
17       the location of an automated



283940

LEGISLATIVE ACTION

Senate

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House

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The Committee on Regulated Industries (Abruzzo) recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 2324 - 2333

and insert:

Section 37. Section 551.1015, Florida Statutes, is created to read:

551.1015 Class III gaming or games authorized.—

(1) LEGISLATIVE INTENT.—It is the intent of the Legislature to provide additional entertainment choices for the residents of and visitors to the state, to promote tourism, and to provide



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additional state revenues through the authorization of certain slot machine gaming and other class III gaming or games at licensed pari-mutuel facilities. To ensure the public confidence in the integrity of authorized slot machine gaming and other class III gaming operations, this section is designed to strictly regulate the facilities, persons, and procedures related to cardroom operations. Furthermore, the Legislature finds that games authorized under this section are considered to be pari-mutuel style games and not casino gaming because the participants play against each other instead of against the house.

(2) DEFINITIONS.—For purposes of this section, the term “class III gaming or games” means the operation of slot machines, video race terminals, banked card games, raffles and drawings, and live table games at a licensed pari-mutuel facility pursuant to chapters 550 and 551, in conformity with rules promulgated by the Division of Pari-Mutuel Wagering.

(3) AUTHORIZATION.—

(a) A licensed pari-mutuel facility located in the state may possess slot machines and conduct slot machine gaming or other class III gaming or games at the location where the pari-mutuel permitholder is authorized to conduct pari-mutuel wagering activities pursuant to such permitholder’s valid pari-mutuel permit, if:

1. A majority of voters in a countywide referendum in the county in which the facility is located have approved slot machines at the facility;

2. A majority of voters in a countywide referendum in the county in which the facility is located have approved the



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operation of class III gaming or games within the county at the facility; and

3. The governing body of the municipality, or the governing body of the county if the facility is not located in a municipality, has provided its approval under s. 551.1041.

(b) A licensed pari-mutuel permitholder authorized to conduct slot machine gaming on or before July 1, 2016, may conduct class III gaming or games at the location where the pari-mutuel permitholder is authorized to conduct pari-mutuel wagering activities pursuant to such permitholder's valid pari-mutuel permit.

(c) A licensed pari-mutuel facility located in Orange County may not be authorized to possess slot machines and conduct slot machine gaming or other class III gaming or games.

(d) The expense of a referendum held under this subsection shall be borne by the pari-mutuel permitholder or permitholders who wish to conduct slot machine gaming or class III gaming or games within a county. If a special election is not held, the referendum shall be conducted at the next general election in that county.

(e)1. Thirty-five percent of the net revenues from authorized class III gaming operations at a licensed pari-mutuel facility shall be designated as the local government share and shall be distributed to the governing body of the municipality, or the governing body of the county if the facility is not located in a municipality, for reduction of property taxes in the respective county or municipality.

2. The calculations necessary to determine the local government share of distributions shall be made by the Division



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of Pari-mutuel Wagering. The method of payment of the local government share attributable to each pari-mutuel facility shall be as required by the governing body as a condition of local government approval under subsection (4).

(4) LOCAL GOVERNMENT APPROVAL.—

(a) The Division of Pari-mutuel Wagering may not issue an initial license under this section except upon proof, in such form as the division may prescribe, that the local government where the applicant desires to conduct slot machine gaming or class III gaming or games has voted to approve such activity by a majority vote of the governing body of the municipality, or the governing body of the county if the facility is not located in a municipality. If the local government considers approval of such activity and a majority vote of the governing body of the municipality, or the governing body of the county if the facility is not located in a municipality, does not approve slot machine gaming, other class III gaming or games, or both, the matter may not be reconsidered for a period of 5 years after the date of the vote of the governing body. The governing body of the municipality, or the governing body of the county if the facility is not located in a municipality, and the pari-mutuel permitholder shall agree on the documentation required for confirmation and transmittal of the local government share payable by the permitholder.

(b) The division may not issue a license for slot machine gaming or other class III gaming or games for any location in Orange County.

(c) Notwithstanding any other law, it is not a crime for a person to participate in:





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1. Slot machine gaming at a pari-mutuel facility licensed to possess slot machines and conduct slot machine gaming or to participate in slot machine gaming described in this section.

2. Class III gaming or games at a pari-mutuel facility licensed to possess class III gaming or games and to conduct class III gaming or games or to participate in class III gaming or games described in this section.

(5) RULEMAKING.—The division may adopt rules necessary to implement this section.

Section 38. This act shall take effect on July 1, 2016.

===== T I T L E   A M E N D M E N T =====  
And the title is amended as follows:

Delete line 204  
and insert:

nonseverability; creating s. 551.1015, F.S.; providing legislative intent; defining the term "class III gaming or games"; authorizing certain licensed pari-mutuel facilities to possess slot machines and conduct slot machine gaming or other class III gaming or games at a specified location under certain circumstances; providing that the expense of a referendum shall be borne by the pari-mutuel permitholder or permitholders who wish to conduct slot machine gaming or other class III gaming or games; providing requirements for the referendum to vote on the issue of slot machine gaming; requiring that a specified percentage of revenues from authorized class III gaming be designated as the local government share; providing



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127        distribution requirements for the local government  
128        share; providing requirements for the division to  
129        approve an initial license; providing that it is not a  
130        crime for a person to participate in slot machine  
131        gaming or other class III gaming or games under  
132        certain circumstances; authorizing rulemaking;  
133        providing an effective date.

**FOR CONSIDERATION By** the Committee on Regulated Industries

580-03037-16

20167072pb

1                   A bill to be entitled  
2       An act relating to gaming; amending s. 550.002, F.S.;  
3       redefining the term "full schedule of live racing or  
4       games"; defining the term "video race system";  
5       amending s. 550.01215, F.S.; revising provisions for  
6       applications for pari-mutuel operating licenses;  
7       authorizing a greyhound racing permitholder to specify  
8       certain intentions on its application; authorizing a  
9       greyhound racing permitholder to receive an operating  
10      license to conduct pari-mutuel wagering activities at  
11      another permitholder's greyhound racing facility;  
12      limiting the number of pari-mutuel wagering operating  
13      licenses that may be issued each year; authorizing the  
14      Division of Pari-mutuel Wagering of the Department of  
15      Business and Professional Regulation to approve  
16      changes in racing dates for greyhound racing  
17      permitholders under certain circumstances; providing  
18      requirements for licensure of certain jai alai  
19      permitholders; deleting a provision for conversion of  
20      certain converted permits to jai alai permits;  
21      amending s. 550.0251, F.S.; requiring the division to  
22      annually report to the Governor and the Legislature;  
23      specifying requirements for the content of the report;  
24      amending s. 550.054, F.S.; requiring the division to  
25      revoke a pari-mutuel wagering operating permit under  
26      certain circumstances; prohibiting issuance or  
27      approval of new pari-mutuel permits after a specified  
28      date; authorizing a permitholder to apply to the  
29      division to place a permit in inactive status;  
30      revising provisions that prohibit transfer or  
31      assignment of a pari-mutuel permit; prohibiting  
32      transfer or assignment of a pari-mutuel permit or

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license under certain conditions; prohibiting relocation of a pari-mutuel facility, cardroom, or slot machine facility or conversion of pari-mutuel permits to a different class; providing for approval of the relocation of such permits; deleting provisions for certain converted permits; repealing s. 550.0555, F.S., relating to the relocation of greyhound racing permits; repealing s. 550.0745, F.S., relating to the conversion of pari-mutuel permits to summer jai alai permits; amending s. 550.0951, F.S.; deleting provisions for certain credits for a greyhound racing permitholder; revising the tax on handle for live greyhound racing and intertrack wagering if the host track is a greyhound racing track; requiring a tax on handle and fees for video race licensees; specifying how fees may be used by the department and the Department of Law Enforcement; amending s. 550.09511, F.S.; conforming a cross-reference; amending s. 550.09512, F.S.; providing for the revocation of certain harness horse racing permits; specifying that a revoked permit may not be reissued; amending s. 550.09514, F.S.; deleting certain provisions that prohibit tax on handle until a specified amount of tax savings have resulted; revising purse requirements of a greyhound racing permitholder that conducts live racing; amending s. 550.09515, F.S.; providing for the revocation of certain thoroughbred racing permits; specifying that a revoked permit may not be reissued; amending s. 550.1625, F.S.; deleting the requirement

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that a greyhound racing permitholder pay the breaks tax; repealing s. 550.1647, F.S., relating to unclaimed tickets and breaks held by greyhound racing permitholders; amending s. 550.1648, F.S.; revising requirements for a greyhound racing permitholder to provide a greyhound adoption booth at its facility; requiring sterilization of greyhounds before adoption; authorizing the fee for such sterilization to be included in the cost of adoption; defining the term "bona fide organization that promotes or encourages the adoption of greyhounds"; creating s. 550.1751, F.S.; defining terms; authorizing certain pari-mutuel permitholders to enter into agreements to sell and transfer permits to certain bidders; requiring that such permits be surrendered to the division and voided; creating s. 550.1752, F.S.; creating the permit reduction program within the division; providing a purpose for the program; providing for funding for the program up to a specified maximum amount; requiring the division to purchase pari-mutuel permits from permitholders under certain circumstances; requiring that permitholders who wish to make an offer to sell meet certain requirements; requiring the division to adopt a certain form by rule; requiring that the division establish the value of a pari-mutuel permit based on the valuation of one or more independent appraisers; authorizing the division to establish a value that is lower than the valuation of the independent appraiser; requiring the

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91 division to accept the offers that best utilize  
92 available funding; requiring the division to cancel  
93 permits that it purchases through the program;  
94 providing for expiration of the program; creating s.  
95 550.2416, F.S.; requiring injuries to racing  
96 greyhounds to be reported within a certain timeframe  
97 on a form adopted by the division; requiring such form  
98 to be completed and signed under oath or affirmation  
99 by certain individuals; providing penalties;  
100 specifying information that must be included in the  
101 form; requiring the division to maintain the forms as  
102 public records for a specified time; specifying  
103 disciplinary action that may be taken against a  
104 licensee of the Department of Business and  
105 Professional Regulation who fails to report an injury  
106 or who makes false statements on an injury form;  
107 exempting injuries to certain animals from reporting  
108 requirements; requiring the division to adopt rules;  
109 amending s. 550.26165, F.S.; conforming a cross-  
110 reference; amending s. 550.3345, F.S.; revising  
111 provisions for a permit previously converted from a  
112 quarter horse racing permit to a limited thoroughbred  
113 racing permit; amending s. 550.3551, F.S.; deleting a  
114 provision that limits the number of out-of-state races  
115 on which wagers are accepted by a greyhound racing  
116 permitholder; deleting a provision prohibiting a  
117 permitholder from conducting fewer than eight live  
118 races or games under certain circumstances; deleting a  
119 provision requiring certain permitholders to conduct a

580-03037-16

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full schedule of live racing to receive certain full-card broadcasts and accept certain wagers; amending s. 550.375, F.S.; conforming a cross-reference; amending s. 550.615, F.S.; revising provisions relating to intertrack wagering; amending s. 550.6305, F.S.; revising provisions requiring that certain simulcast signals be made available to certain permitholders; authorizing certain permitholders of a converted permit to accept wagers on certain rebroadcasts; amending s. 550.6308, F.S.; revising the number of days of thoroughbred horse sales required to obtain a limited intertrack wagering license; revising provisions for such wagering; amending s. 551.101, F.S.; revising provisions that authorize slot machine gaming at certain facilities; amending s. 551.102, F.S.; revising definitions of the terms "eligible facility" and "slot machine licensee" for purposes of provisions relating to slot machines; amending s. 551.104, F.S.; providing that an application to conduct slot machine gaming may be authorized only if it would not trigger a reduction in revenue-sharing under the Gaming Compact between the Seminole Tribe of Florida and the State of Florida; specifying the facilities that may be authorized by the division to conduct slot machine gaming; exempting certain greyhound racing and thoroughbred racing permitholders from a requirement that they conduct a full schedule of live racing as a condition of maintaining authority to conduct slot machine gaming; requiring licensees to

580-03037-16

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withhold a specified percentage of net revenue from  
specified sources; creating s. 551.1041, F.S.;  
authorizing an additional slot machine license to be  
issued to a pari-mutuel permitholder for a facility in  
Miami-Dade County and in Palm Beach County, subject to  
approval by a majority of voters in a referendum in  
each county; providing for the conduct of the  
referendum; establishing the process for the issuance  
of new licenses; requiring that applications be made  
by sealed bids to the division, subject to specified  
prequalification procedures and requirements;  
specifying a minimum bid amount; authorizing a  
specified number of slot machines and video race  
terminals for play; providing requirements for slot  
machines and video race terminals; defining the term  
"video race terminal"; providing requirements for the  
use of net revenue withheld from certain slot machine  
licensees; creating s. 551.1042, F.S.; prohibiting the  
transfer of a slot machine license or relocation of a  
slot machine facility; amending s. 551.106, F.S.;  
deleting obsolete provisions; revising the tax rate on  
slot machine revenues under certain conditions;  
amending s. 551.114, F.S.; decreasing the number of  
slot machines available for play at certain  
facilities; requiring that specified permitholders'  
designated slot machine gaming areas be located within  
the eligible facility for which the initial license  
was issued; amending s. 551.116, F.S.; deleting a  
restriction on the number of hours that slot machine



580-03037-16

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gaming areas may be open; amending s. 551.121, F.S.;  
authorizing the serving of complimentary or reduced-  
cost alcoholic beverages to a person playing a slot  
machine; authorizing the location of an automated  
teller machine or similar device within designated  
slot machine gaming areas; amending s. 849.086, F.S.;  
amending legislative intent; revising definitions;  
authorizing certain thoroughbred racing permitholders  
to operate a cardroom at a specified slot facility  
under certain circumstances; deleting certain license  
renewal requirements; authorizing certain cardroom  
operators to offer certain designated player games;  
providing limits on wagers for such games; providing  
playing requirements for designated players; requiring  
each seated player to be afforded the temporary  
opportunity to be the designated player; prohibiting  
certain persons from being designated players;  
providing requirements for designated player games;  
providing that the division may only approve cardroom  
operators to conduct certain designated player games;  
requiring certain harness horse racing permitholders  
to use at least 50 percent of monthly net proceeds in  
specified ways; conforming provisions to changes made  
by the act; directing the division to revoke certain  
pari-mutuel permits; specifying that the revoked  
permits may not be reissued; providing for  
nonseverability; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

580-03037-16

20167072pb

Section 1. Subsection (11) of section 550.002, Florida Statutes, is amended, present subsections (15) through (39) of that section are redesignated as subsections (16) through (40), respectively, and a new subsection (15) is added to that section, to read:

550.002 Definitions.—As used in this chapter, the term:

(11) (a) "Full schedule of live racing or games" means:†

1. For a greyhound racing permitholder or jai alai permitholder, the conduct of a combination of at least 100 live evening or matinee performances during the preceding year.† ~~for a permitholder who has a converted permit or filed an application on or before June 1, 1990, for a converted permit, the conduct of a combination of at least 100 live evening and matinee wagering performances during either of the 2 preceding years;†~~

2. For a jai alai permitholder that ~~who~~ does not operate slot machines in its pari-mutuel facility, ~~who~~ has conducted at least 100 live performances per year for at least 10 years after December 31, 1992, and has had ~~whose~~ handle on live jai alai games conducted at its pari-mutuel facility which was ~~has been~~ less than \$4 million per state fiscal year for at least 2 consecutive years after June 30, 1992, the conduct of ~~a combination of~~ at least 40 live ~~evening or matinee~~ performances during the preceding year.†

3. For a jai alai permitholder that ~~who~~ operates slot machines in its pari-mutuel facility, the conduct of ~~a combination of~~ at least 150 performances during the preceding year.†

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236       4. For a summer jai alai permitholder, the conduct of at  
237 least 58 live performances during the preceding year, unless the  
238 permitholder meets the requirements of subparagraph 2.

239       5. For a harness horse racing permitholder, the conduct of  
240 at least 100 live regular wagering performances during the  
241 preceding year.~~†~~

242       6. For a quarter horse racing permitholder at its facility,  
243 unless an alternative schedule of at least 20 live regular  
244 wagering performances each year is agreed upon by the  
245 permitholder and either the Florida Quarter Horse Racing  
246 Association or the horsemen horsemen's association representing  
247 the majority of the quarter horse owners and trainers at the  
248 facility and filed with the division along with its annual  
249 operating license date application.~~†~~

250       a. In the 2010-2011 fiscal year, the conduct of at least 20  
251 regular wagering performances.~~†~~

252       b. In the 2011-2012 and 2012-2013 fiscal years, the conduct  
253 of at least 30 live regular wagering performances.~~† and~~

254       c. For every fiscal year after the 2012-2013 fiscal year,  
255 the conduct of at least 40 live regular wagering performances.~~†~~

256       7. For a quarter horse racing permitholder leasing another  
257 licensed racetrack, the conduct of 160 events at the leased  
258 facility during the preceding year.~~† and~~

259       8. For a thoroughbred racing permitholder, the conduct of  
260 at least 40 live regular wagering performances during the  
261 preceding year.

262       ~~(b) For a permitholder which is restricted by statute to~~  
263 ~~certain operating periods within the year when other members of~~  
264 ~~its same class of permit are authorized to operate throughout~~

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the year, ~~the specified number of live performances which~~  
constitute a full schedule of live racing or games shall be  
adjusted pro rata in accordance with the relationship between  
its authorized operating period and the full calendar year and  
the resulting specified number of live performances shall  
constitute the full schedule of live games for such permitholder  
and all other permitholders of the same class within 100 air  
miles of such permitholder. A live performance must consist of  
no fewer than eight races or games conducted live for each of a  
minimum of three performances each week at the permitholder's  
licensed facility under a single admission charge.

(15) "Video race system" or "video race" means a form of  
pari-mutuel wagering based on video signals of previously  
conducted in-state or out-of-state thoroughbred races which are  
sent from an in-state server that is operated by a licensed  
totalizator company and displayed at individual wagering  
terminals.

Section 2. Subsections (1), (3), and (6) of section  
550.01215, Florida Statutes, are amended to read:

550.01215 License application; periods of operation; bond,  
conversion of permit.—

(1) Each permitholder shall annually, during the period  
between December 15 and January 4, file in writing with the  
division its application for an operating a license to conduct  
pari-mutuel wagering during the next fiscal year, including  
intertrack and simulcast race wagering for greyhound  
permitholders, jai alai permitholders, harness horse racing  
permitholders, and quarter horse racing permitholders that do  
not to conduct live performances during the next state fiscal

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294 ~~year~~. Each application for live performances must ~~shall~~ specify  
295 the number, dates, and starting times of all live performances  
296 that ~~which~~ the permitholder intends to conduct. It must ~~shall~~  
297 also specify which performances will be conducted as charity or  
298 scholarship performances.

299 (a) ~~In addition,~~ Each application for an operating a  
300 license also must ~~shall~~ include:  
301

301 1. For each permitholder that ~~which~~ elects to accept wagers  
302 on broadcast events, the dates for all such events.

303 2. For each permitholder that elects to operate a cardroom,  
304 the dates and periods of operation the permitholder intends to  
305 operate the cardroom. ~~or,~~

306 3. For each thoroughbred racing permitholder that ~~which~~  
307 elects to receive or rebroadcast out-of-state races after 7  
308 p.m., the dates for all performances which the permitholder  
309 intends to conduct.

310 (b) A greyhound racing permitholder that conducted a full  
311 schedule of live racing for a period of at least 10 consecutive  
312 state fiscal years after the 1996-1997 state fiscal year, or  
313 that converted its permit to a permit to conduct greyhound  
314 racing after that fiscal year, may specify in its application  
315 for an operating license that it does not intend to conduct live  
316 racing, or that it intends to conduct less than a full schedule  
317 of live racing, in the next state fiscal year. A greyhound  
318 racing permitholder may receive an operating license to conduct  
319 pari-mutuel wagering activities at another permitholder's  
320 greyhound racing facility pursuant to s. 550.475.

321 (c) Permitholders may ~~shall be entitled to~~ amend their  
322 applications through February 28.

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(3) The division shall issue each license no later than March 15. Each permitholder shall operate all performances at the date and time specified on its license. The division shall have the authority to approve minor changes in racing dates after a license has been issued. The division may approve changes in racing dates after a license has been issued when there is no objection from any operating permitholder located within 50 miles of the permitholder requesting the changes in operating dates. In the event of an objection, the division shall approve or disapprove the change in operating dates based upon the impact on operating permitholders located within 50 miles of the permitholder requesting the change in operating dates. In making the determination to change racing dates, the division shall take into consideration the impact of such changes on state revenues. Notwithstanding any other provision of law, and for the 2016-2017 fiscal year only, the division may approve changes in racing dates for greyhound racing permitholders if the request for such changes is received before August 31, 2016.

(6) A summer jai alai permitholder may apply for an operating license to operate a jai alai fronton only during the summer season beginning May 1 and ending November 30 of each year on such dates as may be selected by the permitholder. Such permitholder is subject to the same taxes, rules, and provisions of this chapter which apply to the operation of winter jai alai frontons. A summer jai alai permitholder is not eligible for licensure to conduct a cardroom or a slot machine facility. A summer jai alai permitholder and a winter jai alai permitholder may not operate on the same days or in competition with each

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other. This subsection does not prevent a summer jai alai licensee from leasing the facilities of a winter jai alai licensee for the operation of a summer meet ~~Any permit which was converted from a jai alai permit to a greyhound permit may be converted to a jai alai permit at any time if the permitholder never conducted greyhound racing or if the permitholder has not conducted greyhound racing for a period of 12 consecutive months.~~

Section 3. Subsection (1) of section 550.0251, Florida Statutes, is amended to read:

550.0251 The powers and duties of the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation.—The division shall administer this chapter and regulate the pari-mutuel industry under this chapter and the rules adopted pursuant thereto, and:

(1) The division shall make an annual report to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report shall include, at a minimum:

(a) Recent events in the gaming industry, including pending litigation; pending permitholder, facility, cardroom, slot, or operating license applications; and new and pending rules.

(b) Actions of the department relating to the implementation and administration of this chapter.

(c) The state revenues and expenses associated with each form of authorized gaming. Revenues and expenses associated with pari-mutuel wagering must be further delineated by the class of license.

(d) The performance of each pari-mutuel wagering licensee,

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cardroom licensee, and slot machine licensee.

(e) A summary of disciplinary actions taken by the department.

(f) Any suggestions to more effectively achieve ~~showing its own actions, receipts derived under the provisions of this chapter, the practical effects of the application of this chapter, and any suggestions it may approve for the more effectual accomplishments of the purposes of this chapter.~~

Section 4. Paragraph (b) of subsection (9) of section 550.054, Florida Statutes, is amended, paragraphs (c) through (g) are added to that subsection, and paragraph (a) of subsection (11) and subsections (13) and (14) of that section are amended, to read:

550.054 Application for permit to conduct pari-mutuel wagering.—

(9)

(b) The division may revoke or suspend any permit or license issued under this chapter upon a ~~the~~ willful violation by the permitholder or licensee ~~of any provision~~ of this chapter or rules ~~of any rule~~ adopted pursuant thereto ~~under this chapter.~~ With the exception of the revocation of permits required in paragraphs (c), (d), (f), and (g), ~~In lieu of suspending or revoking a permit or license,~~ the division may, in lieu of suspending or revoking a permit or license, impose a civil penalty against the permitholder or licensee for a violation of this chapter or rules adopted pursuant thereto ~~any rule adopted by the division.~~ The penalty so imposed may not exceed \$1,000 for each count or separate offense. All penalties imposed and collected must be deposited with the Chief Financial



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Officer to the credit of the General Revenue Fund.

(c) Unless a failure to obtain an operating license and to operate was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control, the division shall revoke the permit of any permitholder that has not obtained an operating license in accordance with s. 550.01215 for a period of more than 24 consecutive months after June 30, 2012. The division shall revoke the permit upon adequate notice to the permitholder. Financial hardship to the permitholder does not, in and of itself, constitute just cause for failure to operate.

(d) The division shall revoke the permit of any permitholder that fails to make payments pursuant to s. 550.0951(5) for more than 24 consecutive months unless such failure to pay tax on handle was the direct result of fire, strike, war, or other disaster or event beyond the permitholder's control. Financial hardship to the permitholder does not, in and of itself, constitute just cause for failure to pay tax on handle.

(e) Notwithstanding any other provision of law, a new permit to conduct pari-mutuel wagering may not be approved or issued after July 1, 2016.

(f) A permit revoked under this subsection is void and may not be reissued.

(g) A permitholder may apply to the division to place the permit into inactive status for a period of 12 months pursuant to the rules adopted under this chapter. The division, upon good cause shown by the permitholder, may renew inactive status for a period of up to 12 months, but a permit may not be in inactive

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status for a period of more than 24 consecutive months. Holders of permits in inactive status are not eligible for licensure for pari-mutuel wagering, slot machines, or cardrooms.

(11) (a) A permit granted under this chapter may not be transferred or assigned except upon written approval by the division pursuant to s. 550.1815, ~~except that the holder of any permit that has been converted to a jai alai permit may lease or build anywhere within the county in which its permit is located.~~

(13) ~~(a)~~ Notwithstanding any provision ~~provisions~~ of this chapter or chapter 551, a pari-mutuel ~~no thoroughbred horse racing~~ permit or license issued under this chapter or chapter 551 may not ~~shall~~ be transferred, or reissued when such reissuance is in the nature of a transfer so as to permit or authorize a licensee to change the location of a pari-mutuel facility, cardroom, or slot machine facility. ~~thoroughbred horse racetrack except upon proof in such form as the division may prescribe that a referendum election has been held:~~

~~1. If the proposed new location is within the same county as the already licensed location, in the county where the licensee desires to conduct the race meeting and that a majority of the electors voting on that question in such election voted in favor of the transfer of such license.~~

~~2. If the proposed new location is not within the same county as the already licensed location, in the county where the licensee desires to conduct the race meeting and in the county where the licensee is already licensed to conduct the race meeting and that a majority of the electors voting on that question in each such election voted in favor of the transfer of such license.~~

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~~(b) Each referendum held under the provisions of this subsection shall be held in accordance with the electoral procedures for ratification of permits, as provided in s. 550.0651. The expense of each such referendum shall be borne by the licensee requesting the transfer.~~

(14) (a) Notwithstanding any other provision of law, a pari-mutuel facility, cardroom, or slot machine facility may not be relocated except as provided in paragraph (b), and a pari-mutuel permit may not be converted to another class of permit. Any holder of a permit to conduct jai alai may apply to the division to convert such permit to a permit to conduct greyhound racing in lieu of jai alai if:

1. Such permit is located in a county in which the division has issued only two pari-mutuel permits pursuant to this section;

2. Such permit was not previously converted from any other class of permit; and

3. The holder of the permit has not conducted jai alai games during a period of 10 years immediately preceding his or her application for conversion under this subsection.

(b) Upon application from the holder of a permit to conduct greyhound racing which was converted from a permit to conduct jai alai pursuant to former s. 550.054(14), Florida Statutes 2014, as created by s. 6, chapter 2009-170, Laws of Florida, the division may approve the relocation of such permit to another location within a 30-mile radius of the location fixed in the permit if the application is received by July 31, 2018, the new location is within the same county, and the new location is approved under the zoning regulations of the county or

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497 municipality in which the permit is located ~~The division, upon~~  
498 ~~application from the holder of a jai alai permit meeting all~~  
499 ~~conditions of this section, shall convert the permit and shall~~  
500 ~~issue to the permitholder a permit to conduct greyhound racing.~~  
501 ~~A permitholder of a permit converted under this section shall be~~  
502 ~~required to apply for and conduct a full schedule of live racing~~  
503 ~~each fiscal year to be eligible for any tax credit provided by~~  
504 ~~this chapter. The holder of a permit converted pursuant to this~~  
505 ~~subsection or any holder of a permit to conduct greyhound racing~~  
506 ~~located in a county in which it is the only permit issued~~  
507 ~~pursuant to this section who operates at a leased facility~~  
508 ~~pursuant to s. 550.475 may move the location for which the~~  
509 ~~permit has been issued to another location within a 30-mile~~  
510 ~~radius of the location fixed in the permit issued in that~~  
511 ~~county, provided the move does not cross the county boundary and~~  
512 ~~such location is approved under the zoning regulations of the~~  
513 ~~county or municipality in which the permit is located, and upon~~  
514 ~~such relocation may use the permit for the conduct of pari-~~  
515 ~~mutuel wagering and the operation of a cardroom. The provisions~~  
516 ~~of s. 550.6305(9)(d) and (f) shall apply to any permit converted~~  
517 ~~under this subsection and shall continue to apply to any permit~~  
518 ~~which was previously included under and subject to such~~  
519 ~~provisions before a conversion pursuant to this section~~  
520 ~~occurred.~~

521 Section 5. Section 550.0555, Florida Statutes, is repealed.

522 Section 6. Section 550.0745, Florida Statutes, is repealed.

523 Section 7. Section 550.0951, Florida Statutes, is amended  
524 to read:

525 550.0951 Payment of daily license fee and taxes;

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penalties.—

(1)~~(a)~~ DAILY LICENSE FEE.—Each person engaged in the business of conducting horserace meets ~~race meetings~~ or jai alai games under this chapter, hereinafter referred to as the "permitholder," "licensee," or "permittee," shall pay ~~to the division, for the use of the division,~~ a daily license fee on each live or simulcast pari-mutuel event of \$100 for each horserace, and \$80 for each greyhound race, ~~dograce~~ and \$40 for each jai alai game, any of which is conducted at a racetrack or fronton licensed under this chapter. ~~A In addition to the tax exemption specified in s. 550.09514(1) of \$360,000 or \$500,000 per greyhound permitholder per state fiscal year, each greyhound permitholder shall receive in the current state fiscal year a tax credit equal to the number of live greyhound races conducted in the previous state fiscal year times the daily license fee specified for each dograce in this subsection applicable for the previous state fiscal year. This tax credit and the exemption in s. 550.09514(1) shall be applicable to any tax imposed by this chapter or the daily license fees imposed by this chapter except during any charity or scholarship performances conducted pursuant to s. 550.0351. Each horserace permitholder may not be required to shall pay daily license fees in excess of not to exceed \$500 per day on any simulcast races or games on which such permitholder accepts wagers, regardless of the number of out-of-state events taken or the number of out-of-state locations from which such events are taken. This license fee shall be deposited with the Chief Financial Officer to the credit of the Pari-mutuel Wagering Trust Fund.~~

~~(b) Each permitholder that cannot utilize the full amount~~

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~~of the exemption of \$360,000 or \$500,000 provided in s.  
550.09514(1) or the daily license fee credit provided in this  
section may, after notifying the division in writing, elect once  
per state fiscal year on a form provided by the division to  
transfer such exemption or credit or any portion thereof to any  
greyhound permitholder which acts as a host track to such  
permitholder for the purpose of intertrack wagering. Once an  
election to transfer such exemption or credit is filed with the  
division, it shall not be rescinded. The division shall  
disapprove the transfer when the amount of the exemption or  
credit or portion thereof is unavailable to the transferring  
permitholder or when the permitholder who is entitled to  
transfer the exemption or credit or who is entitled to receive  
the exemption or credit owes taxes to the state pursuant to a  
deficiency letter or administrative complaint issued by the  
division. Upon approval of the transfer by the division, the  
transferred tax exemption or credit shall be effective for the  
first performance of the next payment period as specified in  
subsection (5). The exemption or credit transferred to such host  
track may be applied by such host track against any taxes  
imposed by this chapter or daily license fees imposed by this  
chapter. The greyhound permitholder host track to which such  
exemption or credit is transferred shall reimburse such  
permitholder the exact monetary value of such transferred  
exemption or credit as actually applied against the taxes and  
daily license fees of the host track. The division shall ensure  
that all transfers of exemption or credit are made in accordance  
with this subsection and shall have the authority to adopt rules  
to ensure the implementation of this section.~~

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## 584 (2) ADMISSION TAX.—

585 (a) An admission tax equal to 15 percent of the admission  
586 charge for entrance to the permitholder's facility and  
587 grandstand area, or 10 cents, whichever is greater, is imposed  
588 on each person attending a horserace, greyhound race ~~dog race~~, or  
589 jai alai game. The permitholder is ~~shall be~~ responsible for  
590 collecting the admission tax.

591 (b) The ~~No~~ admission tax imposed under this chapter and ~~or~~  
592 chapter 212 may not ~~shall~~ be imposed on any free passes or  
593 complimentary cards issued to persons for which there is no cost  
594 to the person for admission to pari-mutuel events.

595 (c) A permitholder may issue tax-free passes to its  
596 officers, officials, and employees and to ~~or~~ other persons  
597 actually engaged in working at the racetrack, including  
598 accredited media ~~press~~ representatives such as reporters and  
599 editors, and may also issue tax-free passes to other  
600 permitholders for the use of their officers and officials. The  
601 permitholder shall file with the division a list of all persons  
602 to whom tax-free passes are issued under this paragraph.

603 (3) TAX ON HANDLE.—Each permitholder shall pay a tax on  
604 contributions to pari-mutuel pools, the aggregate of which is  
605 hereinafter referred to as "handle," on races or games conducted  
606 by the permitholder. The tax is imposed daily and is based on  
607 the total contributions to all pari-mutuel pools conducted  
608 during the daily performance. If a permitholder conducts more  
609 than one performance daily, the tax is imposed on each  
610 performance separately.

611 (a) The tax on handle for quarter horse racing is 1.0  
612 percent of the handle.

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613 (b)1. The tax on handle for greyhound racing ~~dog racing~~ is  
614 1.28 ~~5.5~~ percent of the handle, ~~except that for live charity~~  
615 ~~performances held pursuant to s. 550.0351, and for intertrack~~  
616 ~~wagering on such charity performances at a guest greyhound track~~  
617 ~~within the market area of the host, the tax is 7.6 percent of~~  
618 ~~the handle.~~

619 2. The tax on handle for jai alai is 7.1 percent of the  
620 handle.

621 (c)1. The tax on handle for intertrack wagering is:

622 a. If the host track is a horse track, 2.0 percent of the  
623 handle.

624 b. If the host track is a harness horse racetrack track,  
625 3.3 percent of the handle.

626 c. If the host track is a greyhound racing harness track,  
627 1.28 ~~5.5~~ percent of the handle, to be remitted by the guest  
628 ~~track. if the host track is a dog track, and~~

629 d. If the host track is a jai alai fronton, 7.1 percent of  
630 the handle if the host track is a jai alai fronton.

631 e. The tax on handle for intertrack wagering is 0.5  
632 ~~percent~~ If the host track and the guest track are thoroughbred  
633 racing permitholders or if the guest track is located outside  
634 the market area of a the host track that is not a greyhound  
635 racing track and within the market area of a thoroughbred racing  
636 permitholder currently conducting a live race meet, 0.5 percent  
637 of the handle.

638 f. The tax on handle For intertrack wagering on  
639 rebroadcasts of simulcast thoroughbred horseraces, is 2.4  
640 percent of the handle and ~~1.5 percent of the handle~~ for  
641 intertrack wagering on rebroadcasts of simulcast harness



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642 horseraces, 1.5 percent of the handle.

643 2. The tax collected under subparagraph 1. shall be  
644 deposited into the Pari-mutuel Wagering Trust Fund.

645 3.2. The tax on handle for intertrack wagers accepted by  
646 any greyhound racing ~~dog~~ track located in an area of the state  
647 in which there are only three permitholders, all of which are  
648 greyhound racing permitholders, located in three contiguous  
649 counties, from any greyhound racing permitholder also located  
650 within such area or any greyhound racing ~~dog~~ track or jai alai  
651 fronton located as specified in s. 550.615(7) ~~s. 550.615(6) or~~  
652 ~~(9)~~, on races or games received from any jai alai the same class  
653 of permitholder located within the same market area is 3.9  
654 percent of the handle if the host facility is a greyhound racing  
655 permitholder. ~~and,~~ If the host facility is a jai alai  
656 permitholder, the tax is rate shall be 6.1 percent of the handle  
657 until except that it shall be 2.3 percent on handle at such time  
658 as the total tax on intertrack handle paid to the division by  
659 the permitholder during the current state fiscal year exceeds  
660 the total ~~tax on intertrack handle~~ paid to the division by the  
661 permitholder during the 1992-1993 state fiscal year, in which  
662 case the tax is 2.3 percent of the handle.

663 (d) Notwithstanding any other provision of this chapter, in  
664 order to protect the Florida jai alai industry, effective July  
665 1, 2000, a jai alai permitholder may not be taxed on live handle  
666 at a rate higher than 2 percent.

667 (4) BREAKS TAX.—Effective October 1, 1996, each  
668 permitholder conducting jai alai performances shall pay a tax  
669 equal to the breaks. As used in this subsection, the term  
670 "breaks" means the money that remains in each pari-mutuel pool

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after funds are ~~The "breaks" represents that portion of each~~  
~~pari-mutuel pool which is not~~ redistributed to the contributors  
and commissions are ~~or~~ withheld by the permitholder ~~as~~  
~~commission.~~

(5) VIDEO RACE TERMINALS; TAX AND FEE.—

(a) Each permitholder under this chapter which conducts  
play on video race terminals pursuant to s. 551.1041 shall pay a  
tax equal to 2 percent of the handle from the video race  
terminals located at its facility.

(b) Upon authorization to conduct play on video race  
terminals pursuant to s. 551.1041, and annually thereafter on  
the anniversary date of the authorization, the licensee shall  
pay a \$50,000 fee to the department. The fee shall be deposited  
into the Pari-mutuel Wagering Trust Fund to be used by the  
division and the Department of Law Enforcement for regulation of  
video race, enforcement of video race provisions, and related  
investigations.

(6)~~(5)~~ PAYMENT AND DISPOSITION OF FEES AND TAXES.—Payments  
imposed by this section shall be paid to the division. The  
division shall deposit such payments ~~these sums~~ with the Chief  
Financial Officer, to the credit of the Pari-mutuel Wagering  
Trust Fund, hereby established. The permitholder shall remit to  
the division payment for the daily license fee, the admission  
tax, the tax on handle, and the breaks tax. Such payments must  
~~shall~~ be remitted by 3 p.m. on Wednesday of each week for taxes  
imposed and collected for the preceding week ending on Sunday.  
Beginning on July 1, 2012, such payments must ~~shall~~ be remitted  
by 3 p.m. on the 5th day of each calendar month for taxes  
imposed and collected for the preceding calendar month. If the

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5th day of the calendar month falls on a weekend, payments must  
~~shall~~ be remitted by 3 p.m. the first Monday following the  
weekend. Permitholders shall file a report under oath by the 5th  
day of each calendar month for all taxes remitted during the  
preceding calendar month. Such payments must ~~shall~~ be  
accompanied by a report under oath showing the total of all  
admissions, the pari-mutuel wagering activities for the  
preceding calendar month, and any ~~such~~ other information ~~as may~~  
~~be~~ prescribed by the division.

(7) ~~(6)~~ PENALTIES.—

(a) The failure of any permitholder to make payments as  
prescribed in subsection (6) ~~(5)~~ is a violation of this section,  
and the ~~permitholder may be subjected by the division~~ may impose  
~~to~~ a civil penalty against the permitholder of up to \$1,000 for  
each day the tax payment is not remitted. All penalties imposed  
and collected shall be deposited in the General Revenue Fund. If  
a permitholder fails to pay penalties imposed by order of the  
division under this subsection, the division may suspend or  
revoke the license of the permitholder, cancel the permit of the  
permitholder, or deny issuance of any further license or permit  
to the permitholder.

(b) In addition to the civil penalty prescribed in  
paragraph (a), any willful or wanton failure by any permitholder  
to make payments of the daily license fee, admission tax, tax on  
handle, or breaks tax constitutes sufficient grounds for the  
division to suspend or revoke the license of the permitholder,  
to cancel the permit of the permitholder, or to deny issuance of  
any further license or permit to the permitholder.

Section 8. Paragraph (e) of subsection (2) of section

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550.09511, Florida Statutes, is amended to read:

550.09511 Jai alai taxes; abandoned interest in a permit for nonpayment of taxes.—

(2) Notwithstanding the provisions of s. 550.0951(3)(b), wagering on live jai alai performances shall be subject to the following taxes:

(e) The payment of taxes pursuant to paragraphs (b), (c), and (d) shall be calculated and commence beginning the day in which the permitholder is first entitled to the reduced rate specified in this section and the report of taxes required by s. 550.0951(6) ~~s. 550.0951(5)~~ is submitted to the division.

Section 9. Section 550.09512, Florida Statutes, is amended to read:

550.09512 Harness horse racing taxes; abandoned interest in a permit for nonpayment of taxes.—

(1) Pari-mutuel wagering at harness horse racetracks in this state is an important business enterprise, and taxes derived therefrom constitute a part of the tax structure which funds operation of the state. Harness horse racing permitholders should pay their fair share of these taxes to the state. This business interest should not be taxed to such an extent as to cause any racetrack which is operated under sound business principles to be forced out of business. Due to the need to protect the public health, safety, and welfare, the gaming laws of the state provide for the harness horse racing industry to be highly regulated and taxed. The state recognizes that there exist identifiable differences between harness horse racing permitholders based upon their ability to operate under such regulation and tax system.

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758 (2) (a) The tax on handle for live harness horse racing  
759 performances is 0.5 percent of handle per performance.

760 (b) For purposes of this section, the term "handle" shall  
761 have the same meaning as in s. 550.0951, and shall not include  
762 handle from intertrack wagering.

763 (3) ~~(a)~~ The division shall revoke the permit of a harness  
764 horse racing permitholder that ~~who~~ does not pay tax on handle  
765 for live harness horse racing performances for a full schedule  
766 of live races for more than 24 consecutive months ~~during any 2~~  
767 ~~consecutive state fiscal years shall be void and shall escheat~~  
768 ~~to and become the property of the state unless such failure to~~  
769 operate and pay tax on handle was the direct result of fire,  
770 strike, war, or other disaster or event beyond the ability of  
771 the permitholder to control. Financial hardship to the  
772 permitholder does ~~shall~~ not, in and of itself, constitute just  
773 cause for failure to operate and pay tax on handle. A permit  
774 revoked under this subsection is void and may not be reissued.

775 ~~(b) In order to maximize the tax revenues to the state, the~~  
776 ~~division shall reissue an escheated harness horse permit to a~~  
777 ~~qualified applicant pursuant to the provisions of this chapter~~  
778 ~~as for the issuance of an initial permit. However, the~~  
779 ~~provisions of this chapter relating to referendum requirements~~  
780 ~~for a pari-mutuel permit shall not apply to the reissuance of an~~  
781 ~~escheated harness horse permit. As specified in the application~~  
782 ~~and upon approval by the division of an application for the~~  
783 ~~permit, the new permitholder shall be authorized to operate a~~  
784 ~~harness horse facility anywhere in the same county in which the~~  
785 ~~escheated permit was authorized to be operated, notwithstanding~~  
786 ~~the provisions of s. 550.054(2) relating to mileage limitations.~~

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(4) In the event that a court of competent jurisdiction determines any of the provisions of this section to be unconstitutional, it is the intent of the Legislature that the provisions contained in this section shall be null and void and that the provisions of s. 550.0951 shall apply to all harness horse racing permitholders beginning on the date of such judicial determination. To this end, the Legislature declares that it would not have enacted any of the provisions of this section individually and, to that end, expressly finds them not to be severable.

Section 10. Section 550.09514, Florida Statutes, is amended to read:

550.09514 Greyhound racing ~~dogracing~~ taxes; purse requirements.—

~~(1) Wagering on greyhound racing is subject to a tax on handle for live greyhound racing as specified in s. 550.0951(3). However, each permitholder shall pay no tax on handle until such time as this subsection has resulted in a tax savings per state fiscal year of \$360,000. Thereafter, each permitholder shall pay the tax as specified in s. 550.0951(3) on all handle for the remainder of the permitholder's current race meet. For the three permitholders that conducted a full schedule of live racing in 1995, and are closest to another state that authorizes greyhound pari-mutuel wagering, the maximum tax savings per state fiscal year shall be \$500,000. The provisions of this subsection relating to tax exemptions shall not apply to any charity or scholarship performances conducted pursuant to s. 550.0351.~~

(1)(2) (a) The division shall determine for each greyhound racing permitholder the annual purse percentage rate of live

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816 handle for the state fiscal year 1993-1994 by dividing total  
817 purses paid on live handle by the permitholder, exclusive of  
818 payments made from outside sources, during the 1993-1994 state  
819 fiscal year by the permitholder's live handle for the 1993-1994  
820 state fiscal year. A greyhound racing ~~Each~~ permitholder  
821 conducting live racing during a fiscal year shall pay as purses  
822 for such live races conducted during its current race meet a  
823 percentage of its live handle not less than the percentage  
824 determined under this paragraph, exclusive of payments made by  
825 outside sources, for its 1993-1994 state fiscal year.

826 (b) Except as otherwise set forth herein, in addition to  
827 the minimum purse percentage required by paragraph (a), each  
828 greyhound racing permitholder conducting live racing during a  
829 fiscal year shall pay as purses an annual amount of \$60 for each  
830 live race conducted ~~equal to 75 percent of the daily license~~  
831 ~~fees paid by the greyhound racing each permitholder in for the~~  
832 ~~preceding 1994-1995 fiscal year. These~~ This purse supplement  
833 ~~shall be disbursed weekly during the permitholder's race meet in~~  
834 ~~an amount determined by dividing the annual purse supplement by~~  
835 ~~the number of performances approved for the permitholder~~  
836 ~~pursuant to its annual license and multiplying that amount by~~  
837 ~~the number of performances conducted each week. For the~~  
838 ~~greyhound permitholders in the county where there are two~~  
839 ~~greyhound permitholders located as specified in s. 550.615(6),~~  
840 ~~such permitholders shall pay in the aggregate an amount equal to~~  
841 ~~75 percent of the daily license fees paid by such permitholders~~  
842 ~~for the 1994-1995 fiscal year. These permitholders shall be~~  
843 ~~jointly and severally liable for such purse payments. The~~  
844 ~~additional purses provided by this paragraph~~ must be used

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845 exclusively for purses other than stakes and must be disbursed  
846 weekly during the permitholder's race meet. The division shall  
847 conduct audits necessary to ensure compliance with this section.

848 (c)1. Each greyhound racing permitholder, when conducting  
849 at least three live performances during any week, shall pay  
850 purses in that week on wagers it accepts as a guest track on  
851 intertrack and simulcast greyhound races at the same rate as it  
852 pays on live races. Each greyhound racing permitholder, when  
853 conducting at least three live performances during any week,  
854 shall pay purses in that week, at the same rate as it pays on  
855 live races, on wagers accepted on greyhound races at a guest  
856 track that ~~which~~ is not conducting live racing and is located  
857 within the same market area as the greyhound racing permitholder  
858 conducting at least three live performances during any week.

859 2. Each host greyhound racing permitholder shall pay purses  
860 on its simulcast and intertrack broadcasts of greyhound races to  
861 guest facilities that are located outside its market area in an  
862 amount equal to one quarter of an amount determined by  
863 subtracting the transmission costs of sending the simulcast or  
864 intertrack broadcasts from an amount determined by adding the  
865 fees received for greyhound simulcast races plus 3 percent of  
866 the greyhound intertrack handle at guest facilities that are  
867 located outside the market area of the host and that paid  
868 contractual fees to the host for such broadcasts of greyhound  
869 races.

870 (d) The division shall require sufficient documentation  
871 from each greyhound racing permitholder regarding purses paid on  
872 live racing to assure that the annual purse percentage rates  
873 paid by each greyhound racing permitholder conducting ~~on the~~



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live races are not reduced below those paid during the 1993-1994 state fiscal year. The division shall require sufficient documentation from each greyhound racing permitholder to assure that the purses paid by each permitholder on the greyhound intertrack and simulcast broadcasts are in compliance with the requirements of paragraph (c).

(e) In addition to the purse requirements of paragraphs (a)-(c), each greyhound racing permitholder conducting live races shall pay as purses an amount equal to one-third of the amount of the tax reduction on live and simulcast handle applicable to such permitholder as a result of the reductions in tax rates provided by s. 6, chapter 2000-354, Laws of Florida ~~this act through the amendments to s. 550.0951(3)~~. With respect to intertrack wagering when the host and guest tracks are greyhound racing permitholders not within the same market area, an amount equal to the tax reduction applicable to the guest track handle as a result of the reduction in tax rate provided by s. 6, chapter 2000-354, Laws of Florida, ~~this act through the amendment to s. 550.0951(3)~~ shall be distributed to the guest track, one-third of which amount shall be paid as purses at the guest track. However, if the guest track is a greyhound racing permitholder within the market area of the host or if the guest track is not a greyhound racing permitholder, an amount equal to such tax reduction applicable to the guest track handle shall be retained by the host track, one-third of which amount shall be paid as purses at the host track. These purse funds shall be disbursed in the week received if the permitholder conducts at least one live performance during that week. If the permitholder does not conduct at least one live performance during the week

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in which the purse funds are received, the purse funds shall be disbursed weekly during the permitholder's next race meet in an amount determined by dividing the purse amount by the number of performances approved for the permitholder pursuant to its annual license, and multiplying that amount by the number of performances conducted each week. The division shall conduct audits necessary to ensure compliance with this paragraph.

(f) Each greyhound racing permitholder conducting live racing shall, during the permitholder's race meet, supply kennel operators and the Division of Pari-Mutuel Wagering with a weekly report showing purses paid on live greyhound races and all greyhound intertrack and simulcast broadcasts, including both as a guest and a host together with the handle or commission calculations on which such purses were paid and the transmission costs of sending the simulcast or intertrack broadcasts, so that the kennel operators may determine statutory and contractual compliance.

(g) Each greyhound racing permitholder conducting live racing shall make direct payment of purses to the greyhound owners who have filed with such permitholder appropriate federal taxpayer identification information based on the percentage amount agreed upon between the kennel operator and the greyhound owner.

(h) At the request of a majority of kennel operators under contract with a greyhound racing permitholder conducting live racing, the permitholder shall make deductions from purses paid to each kennel operator electing such deduction and shall make a direct payment of such deductions to the local association of greyhound kennel operators formed by a majority of kennel

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operators under contract with the permitholder. The amount of the deduction shall be at least 1 percent of purses, as determined by the local association of greyhound kennel operators. ~~No~~ Deductions may not be taken pursuant to this paragraph without a kennel operator's specific approval before or after the effective date of this act.

(2)~~(3)~~ For the purpose of this section, the term "live handle" means the handle from wagers placed at the permitholder's establishment on the live greyhound races conducted at the permitholder's establishment.

Section 11. Section 550.09515, Florida Statutes, is amended to read:

550.09515 Thoroughbred racing ~~horse~~ taxes; abandoned interest in a permit for nonpayment of taxes.—

(1) Pari-mutuel wagering at thoroughbred horse racetracks in this state is an important business enterprise, and taxes derived therefrom constitute a part of the tax structure which funds operation of the state. Thoroughbred horse permitholders should pay their fair share of these taxes to the state. This business interest should not be taxed to such an extent as to cause any racetrack which is operated under sound business principles to be forced out of business. Due to the need to protect the public health, safety, and welfare, the gaming laws of the state provide for the thoroughbred horse industry to be highly regulated and taxed. The state recognizes that there exist identifiable differences between thoroughbred horse permitholders based upon their ability to operate under such regulation and tax system and at different periods during the year.

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961 (2) (a) The tax on handle for live thoroughbred horserace  
962 performances shall be 0.5 percent.

963 (b) For purposes of this section, the term "handle" shall  
964 have the same meaning as in s. 550.0951, and shall not include  
965 handle from intertrack wagering.

966 (3) ~~(a)~~ The division shall revoke the permit of a  
967 thoroughbred racing horse permitholder that ~~who~~ does not pay tax  
968 on handle for live thoroughbred horse performances for a full  
969 schedule of live races for more than 24 consecutive months  
970 ~~during any 2 consecutive state fiscal years shall be void and~~  
971 ~~shall escheat to and become the property of the state unless~~  
972 such failure to operate and pay tax on handle was the direct  
973 result of fire, strike, war, or other disaster or event beyond  
974 the ability of the permitholder to control. Financial hardship  
975 to the permitholder does ~~shall~~ not, in and of itself, constitute  
976 just cause for failure to operate and pay tax on handle. A  
977 permit revoked under this subsection is void and may not be  
978 reissued.

979 ~~(b) In order to maximize the tax revenues to the state, the~~  
980 ~~division shall reissue an escheated thoroughbred horse permit to~~  
981 ~~a qualified applicant pursuant to the provisions of this chapter~~  
982 ~~as for the issuance of an initial permit. However, the~~  
983 ~~provisions of this chapter relating to referendum requirements~~  
984 ~~for a pari-mutuel permit shall not apply to the reissuance of an~~  
985 ~~escheated thoroughbred horse permit. As specified in the~~  
986 ~~application and upon approval by the division of an application~~  
987 ~~for the permit, the new permitholder shall be authorized to~~  
988 ~~operate a thoroughbred horse facility anywhere in the same~~  
989 ~~county in which the escheated permit was authorized to be~~

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operated, notwithstanding the provisions of s. 550.054(2)  
relating to mileage limitations.

(4) In the event that a court of competent jurisdiction determines any of the provisions of this section to be unconstitutional, it is the intent of the Legislature that the provisions contained in this section shall be null and void and that the provisions of s. 550.0951 shall apply to all thoroughbred horse permitholders beginning on the date of such judicial determination. To this end, the Legislature declares that it would not have enacted any of the provisions of this section individually and, to that end, expressly finds them not to be severable.

(5) Notwithstanding the provisions of s. 550.0951(3)(c), the tax on handle for intertrack wagering on rebroadcasts of simulcast horseraces is 2.4 percent of the handle; provided however, that if the guest track is a thoroughbred track located more than 35 miles from the host track, the host track shall pay a tax of .5 percent of the handle, and additionally the host track shall pay to the guest track 1.9 percent of the handle to be used by the guest track solely for purses. The tax shall be deposited into the Pari-mutuel Wagering Trust Fund.

(6) A credit equal to the amount of contributions made by a thoroughbred racing permitholder during the taxable year directly to the Jockeys' Guild or its health and welfare fund to be used to provide health and welfare benefits for active, disabled, and retired Florida jockeys and their dependents pursuant to reasonable rules of eligibility established by the Jockeys' Guild is allowed against taxes on live handle due for a taxable year under this section. A thoroughbred racing

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permitholder may not receive a credit greater than an amount equal to 1 percent of its paid taxes for the previous taxable year.

(7) If a thoroughbred racing permitholder fails to operate all performances on its 2001-2002 license, failure to pay tax on handle for a full schedule of live races for those performances in the 2001-2002 fiscal year does not constitute failure to pay taxes on handle for a full schedule of live races in a fiscal year for the purposes of subsection (3). This subsection may not be construed as forgiving a thoroughbred racing permitholder from paying taxes on performances conducted at its facility pursuant to its 2001-2002 license other than for failure to operate all performances on its 2001-2002 license. This subsection expires July 1, 2003.

Section 12. Section 550.1625, Florida Statutes, is amended to read:

550.1625 Greyhound racing ~~dog racing~~; taxes.—

(1) The operation of a greyhound racing ~~dog~~ track and legalized pari-mutuel betting at greyhound racing ~~dog~~ tracks in this state is a privilege and is an operation that requires strict supervision and regulation in the best interests of the state. Pari-mutuel wagering at greyhound racing ~~dog~~ tracks in this state is a substantial business, and taxes derived therefrom constitute part of the tax structures of the state and the counties. The operators of greyhound racing ~~dog~~ tracks should pay their fair share of taxes to the state; at the same time, this substantial business interest should not be taxed to such an extent as to cause a track that is operated under sound business principles to be forced out of business.

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(2) A permitholder that conducts a greyhound race ~~degrade~~ meet under this chapter must pay the daily license fee, the admission tax, ~~the breaks tax~~, and the tax on pari-mutuel handle as provided in s. 550.0951 and is subject to all penalties and sanctions provided in s. 550.0951(7) ~~s. 550.0951(6)~~.

Section 13. Section 550.1647, Florida Statutes, is repealed.

Section 14. Section 550.1648, Florida Statutes, is amended to read:

550.1648 Greyhound adoptions.—

~~(1)~~ A greyhound racing ~~Each degreasing~~ permitholder that conducts live racing at ~~operating~~ a greyhound racing ~~degreasing~~ facility in this state shall provide for a greyhound adoption booth to be located at the facility.

(1) (a) The greyhound adoption booth must be operated on weekends by personnel or volunteers from a bona fide organization that promotes or encourages the adoption of greyhounds ~~pursuant to s. 550.1647~~. Such bona fide organization, as a condition of adoption, must provide sterilization of greyhounds by a licensed veterinarian before relinquishing custody of the greyhound to the adopter. The fee for sterilization may be included in the cost of adoption. As used in this section, the term "weekend" includes the hours during which live greyhound racing is conducted on Friday, Saturday, or Sunday, and the term "bona fide organization that promotes or encourages the adoption of greyhounds" means an organization that provides evidence of compliance with chapter 496 and possesses a valid exemption from federal taxation issued by the Internal Revenue Service. Information pamphlets and application

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forms shall be provided to the public upon request.

(b) ~~In addition,~~ The kennel operator or owner shall notify the permitholder that a greyhound is available for adoption and the permitholder shall provide information concerning the adoption of a greyhound in each race program and shall post adoption information at conspicuous locations throughout the greyhound racing ~~dog racing~~ facility. Any greyhound that is participating in a race and that will be available for future adoption must be noted in the race program. The permitholder shall allow greyhounds to be walked through the track facility to publicize the greyhound adoption program.

(2) In addition to the charity days authorized under s. 550.0351, a greyhound racing permitholder may fund the greyhound adoption program by holding a charity racing day designated as "Greyhound Adopt-A-Pet Day." All profits derived from the operation of the charity day must be placed into a fund used to support activities at the racing facility which promote the adoption of greyhounds. The division may adopt rules for administering the fund. ~~Proceeds from the charity day authorized in this subsection may not be used as a source of funds for the purposes set forth in s. 550.1647.~~

(3) (a) Upon a violation of this section by a permitholder or licensee, the division may impose a penalty as provided in s. 550.0251(10) and require the permitholder to take corrective action.

(b) A penalty imposed under s. 550.0251(10) does not exclude a prosecution for cruelty to animals or for any other criminal act.

Section 15. Section 550.1751, Florida Statutes, is created



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to read:

550.1751 Reduction in the number of pari-mutuel permits.-

(1) As used in this section, the term:

(a) "Active pari-mutuel permit" means a pari-mutuel permit that is actively used for the conduct of pari-mutuel racing or jai alai and under which the permitholder is operating all performances at the dates and times specified on its operating license.

(b) "Bidder for an additional slot machine license" means a person who submits a bid or intends to submit a bid for an additional slot machine license in Miami-Dade County or Palm Beach County, as provided in s. 551.1041.

(2) A pari-mutuel permitholder may enter into an agreement for the sale and transfer of an active pari-mutuel permit to a bidder for an additional slot machine license. An active pari-mutuel permit sold and transferred to the highest bidder under the process in s. 551.1041 must be surrendered to the division and voided.

Section 16. Section 550.1752, Florida Statutes, is created to read:

550.1752 Permit reduction program.-

(1) The permit reduction program is created in the Division of Pari-mutuel Wagering for the purpose of purchasing and cancelling active pari-mutuel permits. The program shall be funded from revenue share payments made by the Seminole Tribe of Florida under the compact ratified by s. 285.710(3) and received by the state after October 31, 2015. Compact payments payable for the program shall be calculated on a monthly basis until such time as the division determines that sufficient funds are

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1135 available to fund the program. The total funding allocated to  
1136 the program may not exceed \$20 million.

1137 (2) The division shall purchase pari-mutuel permits from  
1138 pari-mutuel permitholders when sufficient moneys are available  
1139 for such purchases. A pari-mutuel permitholder may not submit an  
1140 offer to sell a permit unless it is actively conducting pari-  
1141 mutuel racing or jai alai as required by law and satisfies all  
1142 applicable requirements for the permit. The division shall adopt  
1143 by rule the form to be used by a pari-mutuel permitholder for an  
1144 offer to sell a permit and shall establish a schedule for the  
1145 consideration of offers.

1146 (3) The division shall establish the value of a pari-mutuel  
1147 permit based upon the valuation of one or more independent  
1148 appraisers selected by the division. The valuation of a permit  
1149 must be based on the permit's fair market value and may not  
1150 include the value of the real estate or personal property. The  
1151 division may establish a value for the permit that is lower than  
1152 the amount determined by an independent appraiser but may not  
1153 establish a higher value.

1154 (4) The division must accept the offer or offers that best  
1155 utilize available funding; however, the division may also accept  
1156 the offers that it determines are most likely to reduce the  
1157 incidence of gaming in this state.

1158 (5) The division shall cancel any permit purchased under  
1159 this section.

1160 (6) This section shall expire on July 1, 2018, unless  
1161 reenacted by the Legislature.

1162 Section 17. Section 550.2416, Florida Statutes, is created  
1163 to read:

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550.2416 Reporting of racing greyhound injuries.—

(1) An injury to a racing greyhound which occurs while the greyhound is located in this state must be reported on a form adopted by the division within 7 days after the date on which the injury occurred or is believed to have occurred. The division may adopt rules defining the term "injury."

(2) The form shall be completed and signed under oath or affirmation by the:

(a) Racetrack veterinarian or director of racing, if the injury occurred at the racetrack facility; or

(b) Owner, trainer, or kennel operator who had knowledge of the injury, if the injury occurred at a location other than the racetrack facility, including during transportation.

(3) The division may fine, suspend, or revoke the license of any individual who knowingly violates this section.

(4) The form must include the following:

(a) The greyhound's registered name, right-ear and left-ear tattoo numbers, and, if any, the microchip manufacturer and number.

(b) The name, business address, and telephone number of the greyhound owner, the trainer, and the kennel operator.

(c) The color, weight, and sex of the greyhound.

(d) The specific type and bodily location of the injury, the cause of the injury, and the estimated recovery time from the injury.

(e) If the injury occurred when the greyhound was racing:

1. The racetrack where the injury occurred;

2. The distance, grade, race, and post position of the greyhound when the injury occurred; and

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1193       3. The weather conditions, time, and track conditions when  
1194 the injury occurred.

1195       (f) If the injury occurred when the greyhound was not  
1196 racing:

1197       1. The location where the injury occurred, including, but  
1198 not limited to, a kennel, a training facility, or a  
1199 transportation vehicle; and

1200       2. The circumstances surrounding the injury.

1201       (g) Other information that the division determines is  
1202 necessary to identify injuries to racing greyhounds in this  
1203 state.

1204       (5) An injury form created pursuant to this section must be  
1205 maintained as a public record by the division for at least 7  
1206 years after the date it was received.

1207       (6) A licensee of the department who knowingly makes a  
1208 false statement concerning an injury or fails to report an  
1209 injury is subject to disciplinary action under this chapter or  
1210 chapters 455 and 474.

1211       (7) This section does not apply to injuries to a service  
1212 animal, personal pet, or greyhound that has been adopted as a  
1213 pet.

1214       (8) The division shall adopt rules to implement this  
1215 section.

1216       Section 18. Subsection (1) of section 550.26165, Florida  
1217 Statutes, is amended to read:

1218       550.26165 Breeders' awards.—

1219       (1) The purpose of this section is to encourage the  
1220 agricultural activity of breeding and training racehorses in  
1221 this state. Moneys dedicated in this chapter for use as

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breeders' awards and stallion awards are to be used for awards to breeders of registered Florida-bred horses winning horseraces and for similar awards to the owners of stallions who sired Florida-bred horses winning stakes races, if the stallions are registered as Florida stallions standing in this state. Such awards shall be given at a uniform rate to all winners of the awards, may ~~shall~~ not be greater than 20 percent of the announced gross purse, and may ~~shall~~ not be less than 15 percent of the announced gross purse if funds are available. In addition, at least ~~no less than~~ 17 percent, but not ~~nor~~ more than 40 percent, as determined by the Florida Thoroughbred Breeders' Association, of the moneys dedicated in this chapter for use as breeders' awards and stallion awards for thoroughbreds shall be returned pro rata to the permitholders that generated the moneys for special racing awards to be distributed by the permitholders to owners of thoroughbred horses participating in prescribed thoroughbred stakes races, nonstakes races, or both, all in accordance with a written agreement establishing the rate, procedure, and eligibility requirements for such awards entered into by the permitholder, the Florida Thoroughbred Breeders' Association, and the Florida Horsemen's Benevolent and Protective Association, Inc., except that the plan for the distribution by any permitholder located in the area described in s. 550.615(7) ~~s. 550.615(9)~~ shall be agreed upon by that permitholder, the Florida Thoroughbred Breeders' Association, and the association representing a majority of the thoroughbred racehorse owners and trainers at that location. Awards for thoroughbred races are to be paid through the Florida Thoroughbred Breeders' Association, and

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awards for standardbred races are to be paid through the Florida Standardbred Breeders and Owners Association. Among other sources specified in this chapter, moneys for thoroughbred breeders' awards will come from the 0.955 percent of handle for thoroughbred races conducted, received, broadcast, or simulcast under this chapter as provided in s. 550.2625(3). The moneys for quarter horse and harness breeders' awards will come from the breaks and uncashed tickets on live quarter horse and harness horse racing performances and 1 percent of handle on intertrack wagering. The funds for these breeders' awards shall be paid to the respective breeders' associations by the permitholders conducting the races.

Section 19. Section 550.3345, Florida Statutes, is amended to read:

550.3345 ~~Conversion of quarter horse permit to a~~ Limited thoroughbred racing permit.—

(1) In recognition of the important and long-standing economic contribution of the thoroughbred horse breeding industry to this state and the state's vested interest in promoting the continued viability of this agricultural activity, the state intends to provide a limited opportunity for the conduct of live thoroughbred horse racing with the net revenues from such racing dedicated to the enhancement of thoroughbred purses and breeders', stallion, and special racing awards under this chapter; the general promotion of the thoroughbred horse breeding industry; and the care in this state of thoroughbred horses retired from racing.

(2) A limited thoroughbred racing permit previously converted from ~~Notwithstanding any other provision of law, the~~

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holder of a quarter horse racing permit pursuant to chapter  
2010-29, Laws of Florida, issued under s. 550.334 may only be  
held by, within 1 year after the effective date of this section,  
apply to the division for a transfer of the quarter horse racing  
permit to a not-for-profit corporation formed under state law to  
serve the purposes of the state as provided in subsection (1).  
The board of directors of the not-for-profit corporation must be  
composed ~~comprised~~ of 11 members, 4 of whom shall be designated  
by the applicant, 4 of whom shall be designated by the Florida  
Thoroughbred Breeders' Association, and 3 of whom shall be  
designated by the other 8 directors, with at least 1 of these 3  
members being an authorized representative of another  
thoroughbred racing permitholder in this state. A limited  
thoroughbred racing The not-for-profit corporation shall submit  
an application to the division for review and approval of the  
transfer in accordance with s. 550.054. Upon approval of the  
transfer by the division, and notwithstanding any other  
provision of law to the contrary, the not-for-profit corporation  
may, within 1 year after its receipt of the permit, request that  
the division convert the quarter horse racing permit to a permit  
authorizing the holder to conduct pari-mutuel wagering meets of  
thoroughbred racing. Neither the transfer of the quarter horse  
racing permit nor its conversion to a limited thoroughbred  
permit shall be subject to the mileage limitation or the  
ratification election as set forth under s. 550.054(2) or s.  
550.0651. Upon receipt of the request for such conversion, the  
division shall timely issue a converted permit. The converted  
permit and the not-for-profit corporation are ~~shall be~~ subject  
to the following requirements:

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(a) All net revenues derived by the not-for-profit corporation under the thoroughbred ~~horse~~ racing permit, after the funding of operating expenses and capital improvements, shall be dedicated to the enhancement of thoroughbred purses and breeders', stallion, and special racing awards under this chapter; the general promotion of the thoroughbred horse breeding industry; and the care in this state of thoroughbred horses retired from racing.

(b) From December 1 through April 30, ~~no~~ live thoroughbred racing may not be conducted under the permit on any day during which another thoroughbred racing permitholder is conducting live thoroughbred racing within 125 air miles of the not-for-profit corporation's pari-mutuel facility unless the other thoroughbred racing permitholder gives its written consent.

(c) ~~After the conversion of the quarter horse racing permit and the issuance of its initial license to conduct pari-mutuel wagering meets of thoroughbred racing, the not-for-profit corporation shall annually apply to the division for a license pursuant to s. 550.5251.~~

(d) Racing under the permit may take place only at the location for which the original quarter horse racing permit was issued, which may be leased by the not-for-profit corporation for that purpose; ~~however, the not-for-profit corporation may, without the conduct of any ratification election pursuant to s. 550.054(13) or s. 550.0651, move the location of the permit to another location in the same county provided that such relocation is approved under the zoning and land use regulations of the applicable county or municipality.~~

(e) A limited thoroughbred racing ~~No~~ permit may not be



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1338 ~~transferred~~ ~~converted under this section is eligible for~~  
1339 ~~transfer~~ to another person or entity.

1340 (3) Unless otherwise provided in this section, ~~after~~  
1341 ~~conversion~~, the permit and the not-for-profit corporation shall  
1342 be treated under the laws of this state as a thoroughbred racing  
1343 permit and as a thoroughbred racing permitholder, respectively,  
1344 with the exception of ss. 550.054(9)(c) and (d) and s.  
1345 550.09515(3).

1346 Section 20. Paragraphs (a) and (b) of subsection (6) of  
1347 section 550.3551, Florida Statutes, are amended to read:

1348 550.3551 Transmission of racing and jai alai information;  
1349 commingling of pari-mutuel pools.—

1350 (6) (a) ~~A maximum of 20 percent of the total number of races~~  
1351 ~~on which wagers are accepted by a greyhound permitholder not~~  
1352 ~~located as specified in s. 550.615(6) may be received from~~  
1353 ~~locations outside this state. A permitholder may not conduct~~  
1354 ~~fewer than eight live races or games on any authorized race day~~  
1355 ~~except as provided in this subsection.~~ A thoroughbred racing  
1356 permitholder may not conduct fewer than eight live races on any  
1357 race day without the written approval of the Florida  
1358 Thoroughbred Breeders' Association and the Florida Horsemen's  
1359 Benevolent and Protective Association, Inc., unless it is  
1360 determined by the department that another entity represents a  
1361 majority of the thoroughbred racehorse owners and trainers in  
1362 the state. A harness horse racing permitholder may conduct fewer  
1363 than eight live races on any authorized race day, except that  
1364 such permitholder must conduct a full schedule of live racing  
1365 during its race meet consisting of at least eight live races per  
1366 authorized race day for at least 100 days. ~~Any harness horse~~

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1367 ~~permitholder that during the preceding racing season conducted a~~  
1368 ~~full schedule of live racing may, at any time during its current~~  
1369 ~~race meet, receive full-card broadcasts of harness horse races~~  
1370 ~~conducted at harness racetracks outside this state at the~~  
1371 ~~harness track of the permitholder and accept wagers on such~~  
1372 ~~harness races.~~ With specific authorization from the division for  
1373 special racing events, a permitholder may conduct fewer than  
1374 eight live races or games when the permitholder also broadcasts  
1375 out-of-state races or games. The division may not grant more  
1376 than two such exceptions a year for a permitholder in any 12-  
1377 month period, and those two exceptions may not be consecutive.

1378 (b) Notwithstanding any other provision of this chapter,  
1379 any harness horse racing permitholder accepting broadcasts of  
1380 out-of-state harness horse races when such permitholder is not  
1381 conducting live races must make the out-of-state signal  
1382 available to all permitholders eligible to conduct intertrack  
1383 wagering and shall pay to guest tracks located as specified in  
1384 s. ss. 550.615(6) and 550.6305(9) (d) 50 percent of the net  
1385 proceeds after taxes and fees to the out-of-state host track on  
1386 harness horse race wagers which they accept. A harness horse  
1387 racing permitholder shall be required to pay into its purse  
1388 account 50 percent of the net income retained by the  
1389 permitholder on account of wagering on the out-of-state  
1390 broadcasts received pursuant to this subsection. Nine-tenths of  
1391 a percent of all harness horse race wagering proceeds on the  
1392 broadcasts received pursuant to this subsection shall be paid to  
1393 the Florida Standardbred Breeders and Owners Association under  
1394 the provisions of s. 550.2625(4) for the purposes provided  
1395 therein.

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Section 21. Subsection (4) of section 550.375, Florida Statutes, is amended to read:

550.375 Operation of certain harness tracks.—

(4) The permitholder conducting a harness horse race meet must pay the daily license fee, the admission tax, the tax on breaks, and the tax on pari-mutuel handle provided in s. 550.0951 and is subject to all penalties and sanctions provided in s. 550.0951(7) ~~s. 550.0951(6)~~.

Section 22. Subsections (2), (4), (6), and (7) of section 550.615, Florida Statutes, are amended, present subsections (8), (9), and (10) of that section are redesignated as subsections (6), (7), and (8), respectively, and amended, and a new subsection (9) is added to that section, to read:

550.615 Intertrack wagering.—

(2) A ~~Any~~ track or fronton licensed under this chapter which conducted a full schedule of live racing or games in the preceding year and any greyhound racing permitholder that conducted a full schedule of live racing for a period of at least 10 consecutive state fiscal years after the 1996-1997 state fiscal year or that converted its permit to a permit to conduct greyhound racing after that fiscal year is qualified to, at any time, receive broadcasts of any class of pari-mutuel race or game and accept wagers on such races or games conducted by any class of permitholders licensed under this chapter.

(4) ~~An In no event shall any~~ intertrack wager may not be accepted on the same class of live races or games of any permitholder without the written consent of such operating permitholders conducting the same class of live races or games if the guest track is within the market area of such operating

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1425 permitholder. A greyhound racing permitholder licensed under  
1426 this chapter which accepts intertrack wagers on live greyhound  
1427 signals is not required to obtain the written consent required  
1428 by this subsection from any operating greyhound racing  
1429 permitholder within its market area.

1430 ~~(6) Notwithstanding the provisions of subsection (3), in~~  
1431 ~~any area of the state where there are three or more horserace~~  
1432 ~~permitholders within 25 miles of each other, intertrack wagering~~  
1433 ~~between permitholders in said area of the state shall only be~~  
1434 ~~authorized under the following conditions: Any permitholder,~~  
1435 ~~other than a thoroughbred permitholder, may accept intertrack~~  
1436 ~~wagers on races or games conducted live by a permitholder of the~~  
1437 ~~same class or any harness permitholder located within such area~~  
1438 ~~and any harness permitholder may accept wagers on games~~  
1439 ~~conducted live by any jai alai permitholder located within its~~  
1440 ~~market area and from a jai alai permitholder located within the~~  
1441 ~~area specified in this subsection when no jai alai permitholder~~  
1442 ~~located within its market area is conducting live jai alai~~  
1443 ~~performances; any greyhound or jai alai permitholder may receive~~  
1444 ~~broadcasts of and accept wagers on any permitholder of the other~~  
1445 ~~class provided that a permitholder, other than the host track,~~  
1446 ~~of such other class is not operating a contemporaneous live~~  
1447 ~~performance within the market area.~~

1448 ~~(7) In any county of the state where there are only two~~  
1449 ~~permits, one for dogracing and one for jai alai, no intertrack~~  
1450 ~~wager may be taken during the period of time when a permitholder~~  
1451 ~~is not licensed to conduct live races or games without the~~  
1452 ~~written consent of the other permitholder that is conducting~~  
1453 ~~live races or games. However, if neither permitholder is~~

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conducting live races or games, either permitholder may accept intertrack wagers on horseraces or on the same class of races or games, or on both horseraces and the same class of races or games as is authorized by its permit.

(6)~~(8)~~ In any three contiguous counties of the state where there are only three permitholders, all of which are greyhound racing permitholders, if a greyhound racing any permitholder leases the facility of another greyhound racing permitholder for the purpose of conducting all or any portion of ~~the conduct of~~ its live race meet pursuant to s. 550.475, such lessee may conduct intertrack wagering at its pre-lease permitted facility throughout the entire year, including while its live race meet is being conducted at the leased facility, ~~if such permitholder has conducted a full schedule of live racing during the preceding fiscal year at its pre-lease permitted facility or at a leased facility, or combination thereof.~~

(7)~~(9)~~ In any two contiguous counties of the state in which there are located only four active permits, one for thoroughbred horse racing, two for greyhound racing ~~dogracing~~, and one for jai alai games, an ~~no~~ intertrack wager may not be accepted on the same class of live races or games of any permitholder without the written consent of such operating permitholders conducting the same class of live races or games if the guest track is within the market area of such operating permitholder.

(8)~~(10)~~ All costs of receiving the transmission of the broadcasts shall be borne by the guest track; and all costs of sending the broadcasts shall be borne by the host track.

(9) A greyhound racing permitholder, as provided in subsection (2), operating pursuant to a current year's operating

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license that specifies no live performances or less than a full schedule of live performances is qualified to:

(a) Receive broadcasts at any time of any class of pari-mutuel race or game and accept wagers on such races or games conducted by any class of permitholder licensed under this chapter; and

(b) Accept wagers on live races conducted at out-of-state greyhound tracks only on the days when such permitholder receives all live races that any greyhound host track in this state makes available.

Section 23. Paragraphs (d), (f), and (g) of subsection (9) of section 550.6305, Florida Statutes, are amended to read:

550.6305 Intertrack wagering; guest track payments; accounting rules.—

(9) A host track that has contracted with an out-of-state horse track to broadcast live races conducted at such out-of-state horse track pursuant to s. 550.3551(5) may broadcast such out-of-state races to any guest track and accept wagers thereon in the same manner as is provided in s. 550.3551.

(d) Any permitholder located in any area of the state where there are only two permits, one for greyhound racing ~~dog racing~~ and one for jai alai, and any permitholder that converted its permit to conduct jai alai to a permit to conduct greyhound racing in lieu of jai alai under s. 550.054(14), Florida Statutes 2014, as created by s. 6, chapter 2009-170, Laws of Florida, may accept wagers on rebroadcasts of out-of-state thoroughbred horse races from an in-state thoroughbred ~~horse~~ racing permitholder and is ~~shall~~ not be subject to the provisions of paragraph (b) if such thoroughbred ~~horse~~ racing

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permitholder located within the area specified in this paragraph is both conducting live races and accepting wagers on out-of-state horseraces. In such case, the guest permitholder is ~~shall~~ be entitled to 45 percent of the net proceeds on wagers accepted at the guest facility. The remaining proceeds shall be distributed as follows: one-half shall be retained by the host facility and one-half shall be paid by the host facility as purses at the host facility.

(f) Any permitholder located in any area of the state where there are only two permits, one for greyhound racing ~~dog racing~~ and one for jai alai, and any permitholder that converted its permit to conduct jai alai to a permit to conduct greyhound racing in lieu of jai alai under s. 550.054(14), Florida Statutes 2014, as created by s. 6, chapter 2009-170, Laws of Florida, may accept wagers on rebroadcasts of out-of-state harness horse races from an in-state harness horse racing permitholder and may ~~shall~~ not be subject to ~~the provisions of~~ paragraph (b) if such harness horse racing permitholder located within the area specified in this paragraph is conducting live races. In such case, the guest permitholder is ~~shall be~~ entitled to 45 percent of the net proceeds on wagers accepted at the guest facility. The remaining proceeds shall be distributed as follows: one-half shall be retained by the host facility and one-half shall be paid by the host facility as purses at the host facility.

(g)1.a. Any thoroughbred racing permitholder that ~~which~~ accepts wagers on a simulcast signal must make the signal available to any permitholder that is eligible to conduct intertrack wagering under the provisions of ss. 550.615-

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1541 550.6345.

1542 ~~b.2.~~ Any thoroughbred racing permitholder that ~~which~~  
1543 accepts wagers on a simulcast signal received after 6 p.m. must  
1544 make such signal available to any permitholder that is eligible  
1545 to conduct intertrack wagering under the provisions of ss.  
1546 550.615-550.6345, ~~including any permitholder located as~~  
1547 ~~specified in s. 550.615(6).~~ Such guest permitholders are  
1548 authorized to accept wagers on such simulcast signal,  
1549 notwithstanding any other provision of this chapter to the  
1550 contrary.

1551 ~~c.3.~~ Any thoroughbred racing permitholder that ~~which~~  
1552 accepts wagers on a simulcast signal received after 6 p.m. must  
1553 make such signal available to any permitholder that is eligible  
1554 to conduct intertrack wagering under ~~the provisions of~~ ss.  
1555 550.615-550.6345, ~~including any permitholder located as~~  
1556 ~~specified in s. 550.615(9).~~ Such guest permitholders are  
1557 authorized to accept wagers on such simulcast signals for a  
1558 number of performances not to exceed that which constitutes a  
1559 full schedule of live races for a quarter horse racing  
1560 permitholder pursuant to s. 550.002(11), notwithstanding any  
1561 other provision of this chapter to the contrary, ~~except that the~~  
1562 ~~restrictions provided in s. 550.615(9)(a) apply to wagers on~~  
1563 ~~such simulcast signals.~~

1564 2. A ~~No~~ thoroughbred racing permitholder is not ~~shall be~~  
1565 required to continue to rebroadcast a simulcast signal to any  
1566 in-state permitholder if the average per performance gross  
1567 receipts returned to the host permitholder over the preceding  
1568 30-day period were less than \$100. Subject to the provisions of  
1569 s. 550.615(4), as a condition of receiving rebroadcasts of



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thoroughbred simulcast signals under this paragraph, a guest permitholder must accept intertrack wagers on all live races conducted by all then-operating thoroughbred racing permitholders.

Section 24. Section 550.6308, Florida Statutes, is amended to read:

550.6308 Limited intertrack wagering license.—In recognition of the economic importance of the thoroughbred breeding industry to this state, its positive impact on tourism, and of the importance of a permanent thoroughbred sales facility as a key focal point for the activities of the industry, a limited license to conduct intertrack wagering is established to ensure the continued viability and public interest in thoroughbred breeding in Florida.

(1) (a) Upon application to the division on or before January 31 of each year, any person that is licensed to conduct public sales of thoroughbred horses pursuant to s. 535.01 and ~~7~~ that has conducted at least 8 ~~15~~ days of thoroughbred horse sales at a permanent sales facility in this state for at least 3 consecutive years, ~~and that has conducted at least 1 day of nonwagering thoroughbred racing in this state, with a purse structure of at least \$250,000 per year for 2 consecutive years before such application,~~ shall be issued a license, subject to the conditions set forth in this section, to conduct intertrack wagering at such a permanent sales facility during the following periods:

1. (a) Up to 21 days in connection with thoroughbred sales;

2. (b) Between November 1 and May 8;

3. (c) Between May 9 and October 31 at such times and on

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such days as any thoroughbred racing, jai alai, or a greyhound racing permitholder in the same county is not conducting live performances; provided that any such permitholder may waive this requirement, in whole or in part, and allow the licensee under this section to conduct intertrack wagering during one or more of the permitholder's live performances; and

4.~~(d)~~ During the weekend of the Kentucky Derby, the Preakness, the Belmont, and a Breeders' Cup Meet that is conducted before November 1 and after May 8.

(b) Only ~~no more than~~ one such license may be issued, and ~~the no such~~ license may not be issued for a facility located within 50 miles of any for-profit thoroughbred racing permitholder's licensed track.

(2) If more than one application is submitted for such license, the division shall determine which applicant shall be granted the license. In making its determination, the division shall grant the license to the applicant demonstrating superior capabilities, as measured by the length of time the applicant has been conducting thoroughbred sales within this state or elsewhere, the applicant's total volume of thoroughbred horse sales, within this state or elsewhere, the length of time the applicant has maintained a permanent thoroughbred sales facility in this state, and the quality of the facility.

(3) The applicant must comply with the provisions of ss. 550.125 and 550.1815.

~~(4) Intertrack wagering under this section may be conducted only on thoroughbred horse racing, except that intertrack wagering may be conducted on any class of pari-mutuel race or game conducted by any class of permitholders licensed under this~~

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chapter if all thoroughbred, jai alai, and greyhound  
permitholders in the same county as the licensee under this  
section give their consent.

(4)(5) The licensee shall be considered a guest track under  
this chapter. The licensee shall pay 2.5 percent of the total  
contributions to the daily pari-mutuel pool on wagers accepted  
at the licensee's facility on greyhound races or jai alai games  
to the thoroughbred racing permitholder that is conducting live  
races for purses to be paid during its current racing meet. If  
more than one thoroughbred racing permitholder is conducting  
live races on a day during which the licensee is conducting  
intertrack wagering on greyhound races or jai alai games, the  
licensee shall allocate these funds between the operating  
thoroughbred racing permitholders on a pro rata basis based on  
the total live handle at the operating permitholders'  
facilities.

Section 25. Section 551.101, Florida Statutes, is amended  
to read:

551.101 Slot machine gaming authorized.—Possession of slot  
machines and conduct of slot machine gaming is authorized only  
at licensed facilities eligible pursuant to this chapter Any  
~~licensed pari-mutuel facility located in Miami-Dade County or  
Broward County existing at the time of adoption of s. 23, Art. X  
of the State Constitution that has conducted live racing or  
games during calendar years 2002 and 2003 may possess slot  
machines and conduct slot machine gaming at the location where  
the pari-mutuel permitholder is authorized to conduct pari-  
mutuel wagering activities pursuant to such permitholder's valid  
pari-mutuel permit provided that a majority of voters in a~~

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~~countywide referendum have approved slot machines at such facility in the respective county.~~ Notwithstanding any other ~~provision of law,~~ it is not a crime for a person to participate in slot machine gaming at a pari-mutuel facility licensed to possess slot machines and conduct slot machine gaming or to participate in slot machine gaming described in this chapter.

Section 26. Subsections (4) and (11) of section 551.102, Florida Statutes, are amended to read:

551.102 Definitions.—As used in this chapter, the term:

(4) "Eligible facility" means a ~~any~~ licensed pari-mutuel facility that meets the requirements of ss. 551.104 and 551.1041 located in Miami-Dade County or Broward County existing at the time of adoption of s. 23, Art. X of the State Constitution that has conducted live racing or games during calendar years 2002 and 2003 and has been approved by a majority of voters in a countywide referendum to have slot machines at such facility in the respective county; any licensed pari-mutuel facility located within a county as defined in s. 125.011, provided such facility has conducted live racing for 2 consecutive calendar years immediately preceding its application for a slot machine license, pays the required license fee, and meets the other requirements of this chapter; or any licensed pari-mutuel facility in any other county in which a majority of voters have approved slot machines at such facilities in a countywide referendum held pursuant to a statutory or constitutional authorization after the effective date of this section in the respective county, provided such facility has conducted a full schedule of live racing for 2 consecutive calendar years immediately preceding its application for a slot machine

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license, pays the required license ~~licensed~~ fee, and meets the other requirements of this chapter.

(11) "Slot machine licensee" means a pari-mutuel permitholder that ~~who~~ holds a license issued by the division pursuant to this chapter which ~~that~~ authorizes such person to possess a slot machine within facilities as provided in this chapter ~~specified in s. 23, Art. X of the State Constitution~~ and allows slot machine gaming.

Section 27. Subsection (2) and paragraph (c) of subsection (4) of section 551.104, Florida Statutes, are amended, paragraph (e) is added to subsection (10) of that section, and subsection (3) of that section is republished, to read:

551.104 License to conduct slot machine gaming.—

(2) If it is determined that the application would not trigger a reduction in revenue-sharing payments under the Gaming Compact between the Seminole Tribe of Florida and the State of Florida, an application may be approved by the division, but only for:

(a) A licensed pari-mutuel facility where live racing or games were conducted during calendar years 2002 and 2003 which is located in Miami-Dade County or Broward County and is authorized for slot machine licensure pursuant to s. 23, Art. X of the State Constitution.

(b) A licensed pari-mutuel facility where a full schedule of live horseracing has been conducted for 2 consecutive calendar years immediately preceding its application for a slot machine license and which is located within a county as defined in s. 125.011.

(c) A licensed pari-mutuel facility authorized under s.

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1715 ~~551.1041 after the voters of the county where the applicant's~~  
1716 ~~facility is located have authorized by referendum slot machines~~  
1717 ~~within pari-mutuel facilities in that county as specified in s.~~  
1718 ~~23, Art. X of the State Constitution.~~

1719 (3) A slot machine license may be issued only to a licensed  
1720 pari-mutuel permitholder, and slot machine gaming may be  
1721 conducted only at the eligible facility at which the  
1722 permitholder is authorized under its valid pari-mutuel wagering  
1723 permit to conduct pari-mutuel wagering activities.

1724 (4) As a condition of licensure and to maintain continued  
1725 authority for the conduct of slot machine gaming, the slot  
1726 machine licensee shall:

1727 (c) Conduct ~~no fewer than~~ a full schedule of live racing or  
1728 games as defined in s. 550.002(11), excluding any. ~~A~~  
1729 ~~permitholder's responsibility to conduct such number of live~~  
1730 ~~races or games shall be reduced by the number of~~ races or games  
1731 that could not be conducted as a ~~due to the~~ direct result of  
1732 fire, war, hurricane, or other disaster or event beyond the  
1733 control of the permitholder. This paragraph does not apply to a  
1734 greyhound racing permitholder that conducted a full schedule of  
1735 live racing for a period of at least 10 consecutive state fiscal  
1736 years after the 2002-2003 state fiscal year or to a thoroughbred  
1737 racing permitholder that holds a slot machine license if it has  
1738 entered into an agreement with another thoroughbred racing  
1739 permitholder to conduct its race meet at the other thoroughbred  
1740 racing permitholder's facility.

1741 (10)

1742 (e) Each slot machine licensee that does not offer live  
1743 racing shall withhold 2 percent of its net revenue from slot

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machines to be deposited into a purse pool to be paid as purses  
to licensed pari-mutuel facilities offering live racing or  
games. This paragraph does not apply to slot machine licenses  
issued pursuant to subsection (1).

Section 28. Section 551.1041, Florida Statutes, is created  
to read:

551.1041 Additional slot machine licenses.-

(1) An additional slot machine license is authorized and  
may be issued to a pari-mutuel permitholder for a slot machine  
facility in Miami-Dade County.

(2) An additional slot machine license is authorized and  
may be issued to a pari-mutuel permitholder for a slot machine  
facility in Palm Beach County.

(3) A slot machine license may not be issued under this  
section until a majority of the voters of the county where the  
facility is located approve slot machines at the facility in a  
referendum held after July 1, 2016. The referendum may be  
conducted pursuant to s. 550.0651. If a special election is not  
held, the referendum shall be conducted at the next general  
election in that county.

(4) Application for a slot machine license must be made by  
sealed bid to the division, with the license awarded to the  
highest bidder. Before the advertisement or notice of bid  
solicitations, the division shall publish prequalification  
procedures and requirements that, at minimum, meet the criteria  
in subsection (5). The division shall adopt by rule the form for  
the bid. The form shall include the applicant's bid amount and  
evidence that the applicant meets the prequalification criteria.  
The bids may not be opened until the day, time, and place

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designated by the division and provided in the notice, at which time all bids shall be opened at a public meeting pursuant to s. 286.011. Any challenge or protest of the award is subject to s. 120.57(3). Section 120.60(1) does not apply to the bid process established by this section.

(5) At minimum, the prequalification criteria must include:

(a) Evidence that the bidder meets the qualifications in chapters 550 and 551, as applicable; and

(b) Evidence that the bidder has purchased, or entered into an agreement to purchase and transfer, an active pari-mutuel permit with the intent to surrender and void such permit, as provided in s. 550.1751.

(6) To be eligible for a slot machine license under this section, the applicant must submit a minimum bid of \$3 million. If no minimum bids are received, the slot machine license will not be issued and the division may restart the bid process on its own initiative or upon the receipt of a petition by a potential bidder to start the bid process.

(7) A slot machine licensee who is awarded a license under this section may make available for play the following machines:

(a) After the issuance of the initial slot machine license and before October 1, 2018, up to a total of 500 slot machines and 250 video race terminals.

(b) On or after October 1, 2018, up to a total of 750 slot machines and 750 video race terminals.

(8) The following requirements apply to slot machines and video race terminals authorized under this section:

(a) A wager on a slot machine or a video race terminal may not exceed \$5 per game or race.



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1802       (b) Only one game or race may be played at any given time  
1803 on a slot machine or video race terminal, and a player may not  
1804 wager on a new game or race until the previous game or race has  
1805 been completed.

1806       (c) Slot machines and video race terminals may not offer  
1807 games that use tangible playing cards, but may have games that  
1808 use electronic or virtual cards.

1809       (9) As used in subsections (7) and (8), the term "video  
1810 race terminal" means an individual racing terminal linked to a  
1811 central server as part of a network-based video game in which  
1812 the terminals allow pari-mutuel wagering by players on the  
1813 results of previously conducted horse races, but only if the  
1814 game is certified in advance by an independent testing  
1815 laboratory licensed or contracted by the division as complying  
1816 with all of the following requirements:

1817       (a) All data on previously conducted horse races must be  
1818 stored in a secure format on the central server, which must be  
1819 located at the pari-mutuel facility.

1820       (b) Only horse races that were recorded at licensed pari-  
1821 mutuel facilities in the United States after January 1, 2005,  
1822 may be used.

1823       (c) After each wager is placed, the video race terminal  
1824 must display a video of at least the final seconds of the horse  
1825 race before any prize is awarded or indicated on the video race  
1826 terminal.

1827       (d) The display of the video of the horse race must be  
1828 shown on the video race terminal's video screen.

1829       (e) Mechanical reel displays are prohibited.

1830       (f) A video race terminal may not contain more than one

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1831 player position for placing wagers.

1832 (g) Coins, currency, or tokens may not be dispensed from a  
1833 video race terminal.

1834 (h) Prizes must be awarded based solely on the results of a  
1835 previously conducted horse race, and no additional element of  
1836 chance may be used. However, a random number generator must be  
1837 used to select from the central server the race to be displayed  
1838 to the player(s) and to select numbers or other designations of  
1839 race entrants that will be used in the various bet types for any  
1840 "Quick Pick" bets. To prevent an astute player from recognizing  
1841 the race based on the entrants and thus knowing the results  
1842 before placing a wager, the entrants of the race may not be  
1843 identified until after all wagers for that race have been  
1844 placed.

1845 (10) Each slot machine licensee under this section shall  
1846 withhold 1 percent of the net revenue from the slot machines and  
1847 video race terminals authorized by this section to be deposited  
1848 into a purse pool to be paid as purses for thoroughbred horse  
1849 racing at a licensed pari-mutuel facility that is not authorized  
1850 to conduct slot machine gaming.

1851 Section 29. Section 551.1042, Florida Statutes, is created  
1852 to read:

1853 551.1042 Transfer or relocation of slot machine license  
1854 prohibited.—A slot machine license issued under this chapter may  
1855 not be transferred or reissued when such reissuance is in the  
1856 nature of a transfer so as to permit or authorize a licensee to  
1857 change the location of a slot machine facility.

1858 Section 30. Paragraph (a) of subsection (1) and paragraph  
1859 (a) of subsection (2) of section 551.106, Florida Statutes, are

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amended to read:

551.106 License fee; tax rate; penalties.—

(1) LICENSE FEE.—

(a) Upon submission of the initial application for a slot machine license and annually thereafter, on the anniversary date of the issuance of the initial license, the licensee must pay to the division a nonrefundable license fee of ~~\$3 million for the succeeding 12 months of licensure. In the 2010-2011 fiscal year, the licensee must pay the division a nonrefundable license fee of \$2.5 million for the succeeding 12 months of licensure. In the 2011-2012 fiscal year and for every fiscal year thereafter, the licensee must pay the division a nonrefundable license fee of \$2 million for the succeeding 12 months of licensure.~~ The license fee shall be deposited into the Pari-mutuel Wagering Trust Fund of the Department of Business and Professional Regulation to be used by the division and the Department of Law Enforcement for investigations, regulation of slot machine gaming, and enforcement of slot machine gaming provisions under this chapter. These payments shall be accounted for separately from taxes or fees paid pursuant to the provisions of chapter 550.

(2) TAX ON SLOT MACHINE REVENUES.—

(a) The tax rate on slot machine revenues at each facility shall be 30 ~~35~~ percent. If, during any state fiscal year, the aggregate amount of tax paid to the state by all slot machine licensees in Broward and Miami-Dade Counties is less than the aggregate amount of tax paid to the state by all slot machine licensees in the 2008-2009 fiscal year, each slot machine licensee shall pay to the state within 45 days after the end of

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the state fiscal year a surcharge equal to its pro rata share of an amount equal to the difference between the aggregate amount of tax paid to the state by all slot machine licensees in the 2008-2009 fiscal year and the amount of tax paid during the fiscal year. Each licensee's pro rata share shall be an amount determined by dividing the number 1 by the number of facilities licensed to operate slot machines during the applicable fiscal year, regardless of whether the facility is operating such machines.

Section 31. Subsections (1), (2), and (4) of section 551.114, Florida Statutes, are amended to read:

551.114 Slot machine gaming areas.—

(1) A slot machine licensee may make available for play up to 1,700 ~~2,000~~ slot machines within the property of the facilities of the slot machine licensee.

(2) The slot machine licensee shall display pari-mutuel races or games within the designated slot machine gaming areas and offer patrons within the designated slot machine gaming areas the ability to engage in pari-mutuel wagering on any live, intertrack, and simulcast races conducted or offered to patrons of the licensed facility.

(4) Designated slot machine gaming areas may be located within the current live gaming facility or in an existing building that must be contiguous and connected to the live gaming facility. If a designated slot machine gaming area is to be located in a building that is to be constructed, that new building must be contiguous and connected to the live gaming facility. For a greyhound racing permitholder, jai alai permitholder, harness horse racing permitholder, or quarter

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1918 horse permitholder licensed to conduct pari-mutuel activities  
1919 pursuant to a current year's operating license that does not  
1920 require live performances or games, designated slot machine  
1921 gaming areas may be located only within the eligible facility  
1922 for which the initial annual slot machine license was issued.

1923 Section 32. Section 551.116, Florida Statutes, is amended  
1924 to read:

1925 551.116 Days and hours of operation.—Slot machine gaming  
1926 areas may be open 24 hours per day, 7 days a week daily  
1927 ~~throughout the year. The slot machine gaming areas may be open a~~  
1928 ~~cumulative amount of 18 hours per day on Monday through Friday~~  
1929 ~~and 24 hours per day on Saturday and Sunday and on those~~  
1930 ~~holidays specified in s. 110.117(1).~~

1931 Section 33. Subsections (1) and (3) of section 551.121,  
1932 Florida Statutes, are amended to read:

1933 551.121 Prohibited activities and devices; exceptions.—

1934 (1) Complimentary or reduced-cost alcoholic beverages may  
1935 ~~not~~ be served to a person ~~persons~~ playing a slot machine.  
1936 ~~Alcoholic beverages served to persons playing a slot machine~~  
1937 ~~shall cost at least the same amount as alcoholic beverages~~  
1938 ~~served to the general public at a bar within the facility.~~

1939 (3) A slot machine licensee may ~~not~~ allow any automated  
1940 teller machine or similar device designed to provide credit or  
1941 dispense cash to be located within the designated slot machine  
1942 gaming areas of a facility of a slot machine licensee.

1943 Section 34. Present subsections (9) through (17) of section  
1944 849.086, Florida Statutes, are redesignated as subsections (10)  
1945 through (18), respectively, a new subsection (9) is added to  
1946 that section, and subsections (1), (2), (4), and (5), paragraphs

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(b) and (c) of subsection (7), subsection (8), present subsections (10) and (12), paragraphs (d) and (h) of present subsection (13), and present subsections (16) and (17) of that section are amended, to read:

849.086 Cardrooms authorized.—

(1) LEGISLATIVE INTENT.—It is the intent of the Legislature to provide additional entertainment choices for the residents of and visitors to the state, promote tourism in the state, and provide additional state revenues through the authorization of the playing of certain games in the state at facilities known as cardrooms which are to be located at licensed pari-mutuel facilities. To ensure the public confidence in the integrity of authorized cardroom operations, this act is designed to strictly regulate the facilities, persons, and procedures related to cardroom operations. Furthermore, the Legislature finds that authorized games of card and dominoes ~~as herein defined~~ are considered to be pari-mutuel style games and not casino gaming because the participants play against each other instead of against the house.

(2) DEFINITIONS.—As used in this section:

(a) "Authorized game" means a game or series of card and domino games that of poker or dominoes which are played in conformance with this section ~~a nonbanking manner~~.

(b) "Banking game" means a game in which the house is a participant in the game, taking on players, paying winners, and collecting from losers ~~or in which the cardroom establishes a bank against which participants play~~.

(c) "Cardroom" means a facility where authorized games are played for money or anything of value and to which the public is

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invited to participate in such games and charged a fee for participation by the operator of such facility. Authorized games and cardrooms do not constitute casino gaming operations if conducted at an eligible facility.

(d) "Cardroom management company" means any individual not an employee of the cardroom operator, any proprietorship, partnership, corporation, or other entity that enters into an agreement with a cardroom operator to manage, operate, or otherwise control the daily operation of a cardroom.

(e) "Cardroom distributor" means any business that distributes cardroom paraphernalia such as card tables, betting chips, chip holders, dominoes, dominoes tables, drop boxes, banking supplies, playing cards, card shufflers, and other associated equipment to authorized cardrooms.

(f) "Cardroom operator" means a licensed pari-mutuel permitholder that ~~which~~ holds a valid permit and license issued by the division pursuant to chapter 550 and which also holds a valid cardroom license issued by the division pursuant to this section which authorizes such person to operate a cardroom and to conduct authorized games in such cardroom.

(g) "Designated player" means the player identified as the player in the dealer position and seated at a traditional player position in a designated player game and who pays winning players and collects from losing players.

(h) "Designated player game" means a game consisting of at least three cards in which the players compare their cards only to the cards of the designated player.

(i) ~~(g)~~ "Division" means the Division of Pari-mutuel Wagering of the Department of Business and Professional

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2005 Regulation.

2006 (j)~~(h)~~ "Dominoes" means a game of dominoes typically played  
2007 with a set of 28 flat rectangular blocks, called "bones," which  
2008 are marked on one side and divided into two equal parts, with  
2009 zero to six dots, called "pips," in each part. The term also  
2010 includes larger sets of blocks that contain a correspondingly  
2011 higher number of pips. The term also means the set of blocks  
2012 used to play the game.

2013 (k)~~(i)~~ "Gross receipts" means the total amount of money  
2014 received by a cardroom from any person for participation in  
2015 authorized games.

2016 (l)~~(j)~~ "House" means the cardroom operator and all  
2017 employees of the cardroom operator.

2018 (m)~~(k)~~ "Net proceeds" means the total amount of gross  
2019 receipts received by a cardroom operator from cardroom  
2020 operations less direct operating expenses related to cardroom  
2021 operations, including labor costs, admission taxes only if a  
2022 separate admission fee is charged for entry to the cardroom  
2023 facility, gross receipts taxes imposed on cardroom operators by  
2024 this section, the annual cardroom license fees imposed by this  
2025 section on each table operated at a cardroom, and reasonable  
2026 promotional costs excluding officer and director compensation,  
2027 interest on capital debt, legal fees, real estate taxes, bad  
2028 debts, contributions or donations, or overhead and depreciation  
2029 expenses not directly related to the operation of the cardrooms.

2030 (n)~~(l)~~ "Rake" means a set fee or percentage of the pot  
2031 assessed by a cardroom operator for providing the services of a  
2032 dealer, table, or location for playing the authorized game.

2033 (o)~~(m)~~ "Tournament" means a series of games that have more



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than one betting round involving one or more tables and where the winners or others receive a prize or cash award.

(4) AUTHORITY OF DIVISION.—The Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation shall administer this section and regulate the operation of cardrooms under this section and the rules adopted ~~pursuant thereto~~, and is hereby authorized to:

(a) Adopt rules, including, but not limited to: the issuance of cardroom and employee licenses for cardroom operations; the operation of a cardroom and games; recordkeeping and reporting requirements; and the collection of all fees and taxes imposed by this section.

(b) Conduct investigations and monitor the operation of cardrooms and the playing of authorized games at the cardrooms ~~therein~~.

(c) Review the books, accounts, and records of any current or former cardroom operator.

(d) Suspend or revoke any license or permit, after hearing, for any violation of the provisions of this section or the administrative rules adopted pursuant thereto.

(e) Take testimony, issue summons and subpoenas for any witness, and issue subpoenas duces tecum in connection with any matter within its jurisdiction.

(f) Monitor and ensure the proper collection of taxes and fees imposed by this section. Permitholder internal controls are mandated to ensure no compromise of state funds. To that end, a roaming division auditor will monitor and verify the cash flow and accounting of cardroom revenue for any given operating day.

(5) LICENSE REQUIRED; APPLICATION; FEES.—A ~~No~~ person may

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not operate a cardroom in this state unless such person holds a valid cardroom license issued pursuant to this section.

(a) Only those persons holding a valid cardroom license issued by the division may operate a cardroom. A cardroom license may only be issued to a licensed pari-mutuel permitholder, and an authorized cardroom may only be operated at the same facility at which the permitholder is authorized under its valid pari-mutuel wagering permit to conduct pari-mutuel wagering activities if the permitholder offers live racing or games. However, a thoroughbred racing permitholder that holds a slot machine license and has entered into an agreement with another thoroughbred racing permitholder to conduct its race meet at the other thoroughbred racing permitholder's facility may operate a cardroom at the slot facility stated in the permitholder's slot machine license. An initial cardroom license shall be issued to a pari-mutuel permitholder only after its facilities are in place and after it conducts its first day of live racing or games if the permitholder offers live racing or games.

(b) After the initial cardroom license is granted, the application for the annual license renewal shall be made in conjunction with the applicant's annual application for its pari-mutuel license. If a permitholder has operated a cardroom during any of the 3 previous fiscal years and fails to include a renewal request for the operation of the cardroom in its annual application for license renewal, the permitholder may amend its annual application to include operation of the cardroom. ~~In order for a cardroom license to be renewed the applicant must have requested, as part of its pari-mutuel annual license~~

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2092 ~~application, to conduct at least 90 percent of the total number~~  
2093 ~~of live performances conducted by such permitholder during~~  
2094 ~~either the state fiscal year in which its initial cardroom~~  
2095 ~~license was issued or the state fiscal year immediately prior~~  
2096 ~~thereto if the permitholder ran at least a full schedule of live~~  
2097 ~~racing or games in the prior year. If the application is for a~~  
2098 ~~harness permitholder cardroom, the applicant must have requested~~  
2099 ~~authorization to conduct a minimum of 140 live performances~~  
2100 ~~during the state fiscal year immediately prior thereto. If more~~  
2101 ~~than one permitholder is operating at a facility, each~~  
2102 ~~permitholder must have applied for a license to conduct a full~~  
2103 ~~schedule of live racing.~~

2104 (c) A greyhound racing permitholder is exempt from the live  
2105 racing requirements of this subsection if it conducted a full  
2106 schedule of live racing for a period of at least 10 consecutive  
2107 state fiscal years after the 1996-1997 state fiscal year or if  
2108 it converted its permit to a permit to conduct greyhound racing  
2109 after that fiscal year. However, as a condition of cardroom  
2110 licensure, greyhound racing permitholders who are not conducting  
2111 a full schedule of live racing must conduct intertrack wagering  
2112 on thoroughbred signals, to the extent available, on each day of  
2113 cardroom operation.

2114 (d) ~~(e)~~ Persons seeking a license or a renewal thereof to  
2115 operate a cardroom shall make application on forms prescribed by  
2116 the division. Applications for cardroom licenses shall contain  
2117 all of the information the division, by rule, may determine is  
2118 required to ensure eligibility.

2119 (e) ~~(d)~~ The annual cardroom license fee for each facility  
2120 shall be \$1,000 for each table to be operated at the cardroom.

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The license fee shall be deposited by the division with the Chief Financial Officer to the credit of the Pari-mutuel Wagering Trust Fund.

(7) CONDITIONS FOR OPERATING A CARDROOM.—

(b) Any cardroom operator may operate a cardroom at the pari-mutuel facility daily throughout the year, if the permitholder meets the requirements under paragraph (5) (b). The cardroom may be open ~~a cumulative amount of 18 hours per day on Monday through Friday and 24 hours per day on Saturday and Sunday and on the holidays specified in s. 110.117(1).~~

(c) For authorized games of poker or dominoes at a cardroom, a cardroom operator must at all times employ and provide a nonplaying live dealer at ~~for~~ each table on which the authorized card games ~~which traditionally use a dealer~~ are conducted ~~at the cardroom~~. Such dealers may not have a participatory interest in any game other than the dealing of cards and may not have an interest in the outcome of the game. The providing of such dealers by a licensee does not constitute the conducting of a banking game by the cardroom operator.

(8) METHOD OF WAGERS; LIMITATION.—

(a) ~~No~~ Wagering may not be conducted using money or other negotiable currency. Games may only be played utilizing a wagering system whereby all players' money is first converted by the house to tokens or chips that may ~~which shall~~ be used for wagering only at that specific cardroom.

(b) For authorized games of poker or dominoes, the cardroom operator may limit the amount wagered in any game or series of games.

(c) A tournament shall consist of a series of games. The

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entry fee for a tournament may be set by the cardroom operator. Tournaments may be played only with tournament chips that are provided to all participants in exchange for an entry fee and any subsequent re-buys. All players must receive an equal number of tournament chips for their entry fee. Tournament chips have no cash value and represent tournament points only. There is no limitation on the number of tournament chips that may be used for a bet except as otherwise determined by the cardroom operator. Tournament chips may never be redeemed for cash or for any other thing of value. The distribution of prizes and cash awards must be determined by the cardroom operator before entry fees are accepted. For purposes of tournament play only, the term "gross receipts" means the total amount received by the cardroom operator for all entry fees, player re-buys, and fees for participating in the tournament less the total amount paid to the winners or others as prizes.

(9) DESIGNATED PLAYER GAMES AUTHORIZED.—

(a) A cardroom operator that does not possess slot machines or a slot machine license may offer designated player games consisting of players making wagers against another player. The maximum wager in such games may not exceed \$25.

(b) The designated player must occupy a playing position at the table and may not be required to cover all wagers or cover more than 10 times the minimum posted wager for players seated during a single game.

(c) Each seated player shall be afforded the temporary opportunity to be the designated player to wager against multiple players at the same table, provided that this position is rotated among the other seated players in the game. The

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opportunity to be a designated player must be offered to each player, in a clockwise rotation, after each hand. The opportunity to be the designated player may be declined by a player. A player participating as a designated player for 30 consecutive hands must subsequently play as a nondesignated player for at least 2 hands before he or she may resume as the designated player.

(d) The cardroom operator may not serve as a designated player in any game. The cardroom operator may not have any direct or indirect financial or pecuniary interest in a designated player in any game.

(e) A designated player may only wager personal funds or funds from a sole proprietorship. A designated player may not be directly or indirectly financed or controlled by another party. A designated player shall operate independently.

(f) Designated player games offered by a cardroom operator may not make up more than 25 percent of the total authorized game tables at the cardroom.

(g) Licensed pari-mutuel facilities that offer slot machine gaming or video race terminals may not offer designated player games.

(h) The division may only approve cardroom operators to conduct designated player games only if such games would not trigger a reduction in revenue-sharing payments under the Gaming Compact between the Seminole Tribe of Florida and the State of Florida.

(11)~~(10)~~ FEE FOR PARTICIPATION.—The cardroom operator may charge a fee for the right to participate in poker or dominoes games conducted at the cardroom. Such fee may be either a flat

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fee or hourly rate for the use of a seat at a table or a rake subject to the posted maximum amount but may not be based on the amount won by players. The rake-off, if any, must be made in an obvious manner and placed in a designated rake area which is clearly visible to all players. Notice of the amount of the participation fee charged shall be posted in a conspicuous place in the cardroom and at each table at all times.

(13) ~~(12)~~ PROHIBITED ACTIVITIES.—

(a) A ~~No~~ person licensed to operate a cardroom may not conduct ~~any banking game or~~ any game not specifically authorized by this section.

(b) A ~~No~~ person under 18 years of age may not be allowed ~~permitted~~ to hold a cardroom or employee license, or ~~to~~ engage in any game conducted in the cardroom ~~therein~~.

(c) With the exception of mechanical card shufflers, ~~No~~ electronic or mechanical devices, ~~except mechanical card shufflers,~~ may not be used to conduct any authorized game in a cardroom.

(d) ~~No~~ Cards, game components, or game implements may not be used in playing an authorized game unless such have ~~has~~ been furnished or provided to the players by the cardroom operator.

(14) ~~(13)~~ TAXES AND OTHER PAYMENTS.—

(d)1. Each greyhound racing permitholder conducting live racing and jai alai permitholder that operates a cardroom facility shall use at least 4 percent of such permitholder's cardroom monthly gross receipts to supplement greyhound purses or jai alai prize money, respectively, during the permitholder's current or next ensuing pari-mutuel meet.

2. Each thoroughbred and harness horse racing permitholder

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that operates a cardroom facility shall use at least 50 percent of such permitholder's cardroom monthly net proceeds as follows: 47 percent to supplement purses and 3 percent to supplement breeders' awards during the permitholder's next ensuing racing meet.

3. Each harness horse racing permitholder that operates a cardroom facility shall use at least 50 percent of such permitholder's cardroom monthly net proceeds as follows: 47 percent to supplement purses and 3 percent to supplement breeders' awards during the permitholder's next ensuing racing meet if the permitholder offers live races or games.

4.3. No cardroom license or renewal thereof shall be issued to an applicant holding a permit under chapter 550 to conduct pari-mutuel wagering meets of quarter horse racing unless the applicant has on file with the division a binding written agreement between the applicant and the Florida Quarter Horse Racing Association or the association representing a majority of the horse owners and trainers at the applicant's eligible facility, governing the payment of purses on live quarter horse races conducted at the licensee's pari-mutuel facility. The agreement governing purses may direct the payment of such purses from revenues generated by any wagering or gaming the applicant is authorized to conduct under Florida law. All purses shall be subject to the terms of chapter 550.

(h) One-quarter of the moneys deposited into the Pari-mutuel Wagering Trust Fund pursuant to paragraph (g) shall, by October 1 of each year, be distributed to the local government that approved the cardroom under subsection (17) ~~(16)~~; however, if two or more pari-mutuel racetracks are located within the



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same incorporated municipality, the cardroom funds shall be distributed to the municipality. If a pari-mutuel facility is situated in such a manner that it is located in more than one county, the site of the cardroom facility shall determine the location for purposes of disbursement of tax revenues under this paragraph. The division shall, by September 1 of each year, determine: the amount of taxes deposited into the Pari-mutuel Wagering Trust Fund pursuant to this section from each cardroom licensee; the location by county of each cardroom; whether the cardroom is located in the unincorporated area of the county or within an incorporated municipality; and, the total amount to be distributed to each eligible county and municipality.

(17)~~(16)~~ LOCAL GOVERNMENT APPROVAL.—The Division of Pari-mutuel Wagering may ~~shall~~ not issue any initial license under this section except upon proof in such form as the division may prescribe that the local government where the applicant for such license desires to conduct cardroom gaming has voted to approve such activity by a majority vote of the governing body of the municipality or the governing body of the county if the facility is not located in a municipality.

(18)~~(17)~~ CHANGE OF LOCATION; ~~REFERENDUM.~~—

~~(a)~~ Notwithstanding any provisions of this section, a ~~no~~ cardroom gaming license issued under this section may not ~~shall~~ be transferred, or reissued when such reissuance is in the nature of a transfer, so as to permit or authorize a licensee to change the location of the cardroom ~~except upon proof in such form as the division may prescribe that a referendum election has been held:~~

~~1. If the proposed new location is within the same county~~

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2295 ~~as the already licensed location, in the county where the~~  
2296 ~~licensee desires to conduct cardroom gaming and that a majority~~  
2297 ~~of the electors voting on the question in such election voted in~~  
2298 ~~favor of the transfer of such license. However, the division~~  
2299 ~~shall transfer, without requirement of a referendum election,~~  
2300 ~~the cardroom license of any permit holder that relocated its~~  
2301 ~~permit pursuant to s. 550.0555.~~

2302 ~~2. If the proposed new location is not within the same~~  
2303 ~~county as the already licensed location, in the county where the~~  
2304 ~~licensee desires to conduct cardroom gaming and that a majority~~  
2305 ~~of the electors voting on that question in each such election~~  
2306 ~~voted in favor of the transfer of such license.~~

2307 ~~(b) The expense of each referendum held under the~~  
2308 ~~provisions of this subsection shall be borne by the licensee~~  
2309 ~~requesting the transfer.~~

2310 Section 35. The Division of Pari-mutuel Wagering of the  
2311 Department of Business and Professional Regulation shall revoke  
2312 any permit to conduct pari-mutuel wagering if a permit holder has  
2313 not conducted live events within the 24 months preceding the  
2314 effective date of this act, unless the permit was issued under  
2315 s. 550.3345, Florida Statutes. A permit revoked under this  
2316 section may not be reissued.

2317 Section 36. The provisions of this act are not severable.  
2318 If this act or any portion of this act is determined to be  
2319 unconstitutional or the applicability thereof to any person or  
2320 circumstance is held invalid:

2321 (1) Such determination shall render all other provisions or  
2322 applications of this act invalid; and

2323 (2) This act is deemed never to have become law.

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2324       Section 37. This act shall take effect only if Senate  
2325 Proposed Bill 7074, 2016 Regular Session, or similar legislation  
2326 becomes law ratifying the Gaming Compact between the Seminole  
2327 Tribe of Florida and the State of Florida executed by the  
2328 Governor and the Seminole Tribe of Florida on December 7, 2015,  
2329 under the Indian Gaming Regulatory Act of 1988, and only if such  
2330 compact is approved or deemed approved, and not voided by the  
2331 United States Department of the Interior, and this act shall  
2332 take effect on the date that the approved compact is published  
2333 in the Federal Register.

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Regulated Industries

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BILL: SB 1558

INTRODUCER: Senator Evers

SUBJECT: Exemption from the Cigarette Tax and Surcharge

DATE: February 12, 2016

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Oxamendi	Caldwell	RI	<b>Pre-meeting</b>
2.			FT	
3.			AP	

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**I. Summary:**

SB 1558 permits Indian tribes in this state to sell excess tax-free cigarettes to persons who are not members of the tribe. Prior to 2009, recognized Indian tribes in Florida were permitted to sell tax-free cigarettes to tribal and nontribal members on reservations in Florida. When the \$1 per package surcharge was added in Florida in 2009, the tax free tribe program was discontinued and replaced with a program in which an Indian tribe is given coupon to purchase tax-free cigarettes from wholesalers to sell only to members of the tribe on the reservation.

Currently, the number of coupons is based on the probable demand of the tribal members and is calculated by multiplying the number of tribal members times five packs of cigarettes times 365.

The bill provides that tribes may use excess "Indian-tax-and-surcharge-exemption coupons," beyond the number of cigarettes demanded by tribal members, to sell tax-and-surcharge-free cigarettes to nontribal members for purchases made on the reservation.

The bill does not increase the number of tax-and-surcharge-exemption coupons given to the governing body of a recognized Indian tribe. Therefore, the number of tax-and-surcharge-free cigarettes sold by a recognized Indian tribe is limited by the number of exemption coupons that are provided to the tribe under current law.

The bill has an effective date of July 1, 2016.

## **II. Present Situation:**

### **Regulation and Taxation of Cigarettes and Other Tobacco Products**

The Division of Alcoholic Beverages and Tobacco (division) within the Department of Business and Professional Regulation (department) oversees the collection of excise taxes from the sale of cigarettes and other tobacco products. Part I, ch. 210, F.S., consisting of ss. 210.01-210.22, F.S., provides for the taxation of cigarettes. Part II, ch.210, F.S., consisting of ss. 210.25-210.75, F.S., provides for the taxation of tobacco products other than cigarettes and cigars.

The retail sale and delivery of tobacco is governed by the division under the provisions of ch. 569, F.S.

### **Cigarette Regulation and Taxation**

Section 210.15(1)(a), F.S., requires a permit issued by the division before any person, firm, or corporation may engage in business as a manufacturer, importer, exporter, distributing agent, or wholesale dealer of cigarettes. A separate application and permit is required for each place of business located within the state or, in the absence of such place of business in this state, for wherever its principal place of business is located.

Section 210.01(1), F.S., defines the term “cigarette” to mean:

Any roll for smoking, except one of which the tobacco is fully naturally fermented, without regard to the kind of tobacco or other substances used in the inner roll or the nature or composition of the material in which the roll is wrapped, which is made wholly or in part of tobacco irrespective of size or shape and whether such tobacco is flavored, adulterated or mixed with any other ingredient.

The current excise tax in Florida ranges from 16.95 cents per package to 67.8 cents per package, depending on the number of cigarettes per package.<sup>1</sup> The current excise tax is 33.9 cents per standard 20-cigarette pack.<sup>2</sup>

Section 210.011, F.S., imposes a surcharge on the sale, receipt, purchase, possession, consumption, handling, distribution, and use of cigarettes in this state. The amount of the surcharge varies depending on the weight of the cigarette, its length, and the number of cigarettes in the package. A one dollar surcharge is assessed for packages containing more than 10 but not more than 20 cigarettes.

A “wholesale dealer” sells cigarettes to retail dealers for resale only.<sup>3</sup>

Section 210.06, F.S., requires that every wholesale dealer affix a tax stamp as evidence that the excise tax has been paid before the cigarettes can be offered for sale in this state. Sections 210.02

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<sup>1</sup> Section 210.02(3) and (4), F.S.

<sup>2</sup> Section 210.02(3)(b), F.S.

<sup>3</sup> Section 210.01(6), F.S.

and 210.04, F.S., provide that excise taxes must be paid by the wholesale dealer upon the first sale or transaction within this state whether or not such sale or transfer is to the ultimate purchaser or consumer. Because wholesalers may purchase cigarettes from other wholesalers, only the first sale is taxed. Distributing agents, acting as agents to the manufacturers, are not required to pay taxes for the distribution of cigarettes to wholesalers. Collected excise taxes are paid to the division. Stamps representing various denominations of tax are purchased in bulk by wholesale dealers and are affixed to packages as proof of payment.<sup>4</sup> Cigarettes that are not properly stamped may not be sold in Florida.<sup>5</sup> The amount of the tax then becomes a part of the price of the cigarettes to be paid by the purchaser or consumer.

### **Exempt Cigarettes for Members of Recognized Indian Tribes**

In 1979 the Legislature granted to the Seminole Tribe of Florida the authority to sell tax free cigarettes to the public from reservation smoke shops.<sup>6</sup> In 2009, when the \$1 surcharge was added to cigarettes, the Legislature created s. 210.1801, F.S., to provide the process in which Indian tribes are provided with tax-and-surcharge-exemption coupons (coupons) to purchase tax-free cigarettes from wholesalers for sale only to members of the tribe.<sup>7</sup>

Section 210.1801(1), F.S., provides that a member of an Indian tribe recognized in Florida who purchases cigarettes on an Indian reservation for his or her own use is exempt from paying a cigarette tax and surcharge. However, members of an Indian tribe must pay the cigarette tax or surcharge when they purchase cigarettes outside of an Indian reservation. Persons who are not a member of an Indian tribe are not exempt from paying the cigarette tax or surcharge when purchasing cigarettes on an Indian reservation within this state.

Section 210.1801(2), F.S., provides the method of providing tax-exempt cigarettes to recognized Indian tribes. It requires the state to provide the recognized Indian tribes with a number of tax-and-surcharge-exemption coupons to use when buying stamped tax-paid cigarettes from the wholesalers. Cigarette packages are stamped with an indicia to indicate that the applicable tax and surcharge have been paid.<sup>8</sup> The term “stamped cigarette” means that the applicable tax and surcharge has been paid.<sup>9</sup>

Section 210.1801(3), F.S., provides the method for calculating the number of coupons based on the “probable demand of tribal members on the tribe’s reservation plus the number needed for official tribal use.” This method requires that the recognized Indian tribes in Florida (the Seminole and Miccosukee tribes) annually provide the division with the number of members in their tribes. This number is used to calculate the maximum number of coupons for tax-exempt cigarettes the tribes may receive during the fiscal year. The total number is calculated by multiplying the number of members of the tribe (including children) by five packs of cigarettes by 365 (the number of days in a year).

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<sup>4</sup> Sections 210.05 and 210.06, F.S.

<sup>5</sup> Section 210.06, F.S.

<sup>6</sup> See s. 2, 79-317, L.O.F., and *Vending Unlimited, Inc., v. State of Florida*, 364 So2d 548 (Fla. 1<sup>st</sup> DCA, 1979), which held that cigarette sales to and by Indians on an Indian reservation were not taxable.

<sup>7</sup> Chapter 2009-79, L.O.F.

<sup>8</sup> Section 210.01(19), F.S.

<sup>9</sup> See ss. 210.01(18) and (19), F.S.

According to the analysis of the Revenue Estimating Conference (REC) for this bill, the current calculation results in an approximate retail value of the coupons as follows: \$9,774,700 based 4000 members of the Seminole Tribe, and \$1,563,952 based on 640 members of the Miccosukee Tribe.<sup>10</sup>

The coupons are provided to the Indian tribes on a quarterly basis.<sup>11</sup> Once the total number of packs is determined, the number of tax-exempt cigarette packs per quarter of the year is calculated. Coupons representing the total amount of tax-exempt packs are printed and disbursed to the Indian tribe council offices each quarter.

The coupons are then distributed by the tribe to the reservation cigarette sellers (smoke shops). When the reservation smoke shops go to the stamping wholesalers to purchase cigarettes, they give the coupons to the wholesalers in exchange for stamped cigarettes.<sup>12</sup> However, the reservation smoke shop purchases these cigarettes without the tax or surcharge applied.<sup>13</sup> The wholesaler then redeems the coupons for a refund when they purchase additional cigarette tax stamps from the division.<sup>14</sup> Any cigarettes purchased over and above the number represented by the tax-exempt coupons are purchased with the taxes applied.

Section 210.1801(3)(b), F.S., requires each wholesale dealer to keep records of transactions involving Indian tax-and-surcharge-exemption coupons. It also specifies the documentation that wholesalers must submit to the division when claiming a refund.

Section 210.1801(4)(b), F.S., permits members of the tribe to purchase cigarettes for personal use without payment of the cigarette tax and surcharge if the cigarettes are purchased on a qualified reservation. The reservation smoke shops are not required to keep a record of their cigarette sales.

### **III. Effect of Proposed Changes:**

The bill amends s. 210.1801, F.S., to permit an Indian tribe to use excess coupons to sell tax-and-surcharge-free cigarettes to nontribal members in purchases made on the reservation.

The bill does not provide a method for determining of the number of excess coupons. The bill also does not alter the method for determining the tribal members' probable demand for cigarettes, including the number needed for official use, to reflect the number of excess coupons.

The bill does not increase the number of tax-and-surcharge-exemption coupons given to the governing body of a recognized Indian tribe. Therefore, the number of tax-and-surcharge-free

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<sup>10</sup> See Revenue Estimating Conference's analysis for HB 1019 and SB 1558, dated February 5, 2016, at: [http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2016/\\_pdf/page513-514.pdf](http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2016/_pdf/page513-514.pdf) (last visited February 12, 2016).

<sup>11</sup> Section 210.1801(3), F.S.

<sup>12</sup> Section 210.1801(4), F.S.

<sup>13</sup> *Id.*

<sup>14</sup> Section 210.1801(4)(a), F.S.

cigarettes sold by a recognized Indian tribe is limited by the number of exemption coupons that are provided to the tribe under current law.

The bill has an effective date of July 1, 2016.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

According to the Revenue Estimating Conference for this bill, the bill will not have a fiscal impact. The bill does not increase the number of tax-and-surcharge-exemption coupons given to the governing body of a recognized Indian tribe.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 210.1801 of the Florida Statutes.



**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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By Senator Evers

2-01052A-16

20161558\_\_

A bill to be entitled  
An act relating to an exemption from the cigarette tax  
and surcharge; amending s. 210.1801, F.S.; authorizing  
an Indian tribe to use certain excess Indian-tax-and-  
surcharge-exemption coupons for sales on the tribe's  
reservation to nontribal members under certain  
circumstances; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (1), paragraph (a) of subsection (3),  
and subsection (4) of section 210.1801, Florida Statutes, are  
amended to read:

210.1801 Exempt cigarettes for members of recognized Indian  
tribes.—

(1) Notwithstanding any provision of this chapter to the  
contrary, a member of an Indian tribe recognized in this state  
who purchases cigarettes on an Indian reservation for his or her  
own use is exempt from paying a cigarette tax and surcharge.  
However, such member purchasing cigarettes outside of an Indian  
reservation or a nontribal member purchasing cigarettes on an  
Indian reservation is not exempt from paying the cigarette tax  
or surcharge when purchasing cigarettes within this state,  
unless the nontribal member purchases cigarettes on an Indian  
reservation as set forth in paragraph (3) (a). Accordingly, the  
tax and surcharge shall apply to all cigarettes sold on an  
Indian reservation to a nontribal member, and evidence of such  
tax or surcharge shall be by means of an affixed cigarette tax  
and surcharge stamp.

(3) Indian-tax-and-surcharge-exemption coupons shall be  
provided to the recognized governing body of each Indian tribe  
to ensure that each Indian tribe can obtain cigarettes that are

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33 exempt from the tax and surcharge which are for the use of the  
34 tribe or its members. The Indian-tax-and-surcharge-exemption  
35 coupons shall be provided to the Indian tribes quarterly. It is  
36 intended that each Indian tribe will distribute the Indian-tax-  
37 and-surcharge-exemption coupons to reservation cigarette sellers  
38 on such tribe's reservation. Only Indian tribes or reservation  
39 cigarette sellers on their reservations may redeem such Indian-  
40 tax-and-surcharge-exemption coupons pursuant to this section.

41 (a) The number of Indian-tax-and-surcharge-exemption  
42 coupons to be given to the recognized governing body of each  
43 Indian tribe shall be based upon the probable demand of the  
44 tribal members on the tribe's reservation plus the number needed  
45 for official tribal use. The annual total number of Indian-tax-  
46 and-surcharge-exemption coupons to be given to the recognized  
47 governing body of each Indian tribe shall be calculated by  
48 multiplying the number of members of the tribe times five packs  
49 of cigarettes times 365. If, based on probable demand, the  
50 number of Indian-tax-and-surcharge-exemption coupons given to  
51 the governing body of a recognized Indian tribe exceeds the  
52 actual demand of the tribal members plus the number needed for  
53 official tribal use, the tribe may use the excess coupons to  
54 sell tax-and-surcharge-free cigarettes to nontribal members on  
55 the reservation.

56 (4) (a) An Indian tribe may purchase cigarettes for its own  
57 official use from a wholesale dealer without payment of the  
58 cigarette tax and surcharge to the extent that the Indian tribe  
59 provides the wholesale dealer with Indian-tax-and-surcharge-  
60 exemption coupons entitling the Indian tribe to purchase such  
61 quantities of cigarettes as allowed by each Indian-tax-and-

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62 surcharge-exemption coupon without paying the cigarette tax and  
63 surcharge.

64 (b) A tribal member may purchase cigarettes for his or her  
65 own use without payment of the cigarette tax and surcharge if  
66 the tribal member makes such purchase on a qualified  
67 reservation.

68 (c) A nontribal member may purchase cigarettes for his or  
69 her own use without payment of the cigarette tax and surcharge  
70 if the nontribal member makes the purchase on an Indian  
71 reservation as set forth in paragraph (3) (a).

72 (d)~~(e)~~ A reservation cigarette seller may purchase  
73 cigarettes for resale without payment of the cigarette tax from  
74 a wholesale dealer licensed pursuant to this chapter:

75 1. If the reservation cigarette seller brings the  
76 cigarettes or causes them to be delivered onto a qualified  
77 reservation for resale on the reservation;

78 2. To the extent that the reservation cigarette seller  
79 provides the wholesale dealer with Indian-tax-and-surcharge-  
80 exemption coupons entitling the reservation cigarette seller to  
81 purchase such quantities of cigarettes as allowed on each  
82 Indian-tax-and-surcharge-exemption coupon without paying the  
83 cigarette tax and surcharge; and

84 3. If the cigarettes are affixed with a cigarette tax and  
85 surcharge stamp.

86 (e)~~(d)~~ A wholesale dealer may not collect the cigarette tax  
87 and surcharge from any purchaser if the purchaser gives the  
88 dealer Indian-tax-and-surcharge-exemption coupons that entitle  
89 the purchaser to purchase such quantities of cigarettes as  
90 allowed on each such Indian-tax-and-surcharge-exemption coupon

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91 without paying the cigarette tax and surcharge.

92 Section 2. This act shall take effect July 1, 2016.



The Florida Senate

## Committee Agenda Request

**To:** Senator Bradley  
Chair, Committee on Regulated Industries

**Subject:** Committee Agenda Request

January 14, 2016

Dear Senator Bradley,

I respectfully request that **Senate Bill 1558**, regarding **Cigarette Tax and Surcharge-Free Cigarettes with the Seminole Tribe of Florida**, be placed on the:

☒ committee agenda at your earliest possible convenience.

☐ next committee agenda.

C

A handwritten signature in cursive script that reads "Greg Evers".

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Senator Greg Evers  
Florida Senate, District 2